HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
FEBRUARY 22, 2017
APPLICATION SUMMARY

NAME OF PROJECT:	TriStar Maury Regional Behavioral Healthcare
PROJECT NUMBER:	CN1610-036
ADDRESS:	Unaddressed location on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike Columbia (Maury County), TN 38401
LEGAL OWNER:	TriStar Maury Behavioral Healthcare, LLC 100 Winners Circle, First Floor Brentwood (Williamson County), TN 37027
OPERATING ENTITY:	Maury County Behavioral Health, LLC 100 Winners Circle, First Floor Brentwood, TN 37027
CONTACT PERSON:	John Wellborn (615) 665-2022
DATE FILED:	October 14, 2016
PROJECT COST:	$22,033,431
FINANCING:	Cash Reserves of the parent corporation, HCA Holdings, Inc.
REASON FOR FILING:	Establishment of a new 60 bed mental health hospital and initiation of inpatient psychiatric services

DESCRIPTION:

TriStar Maury Behavioral Healthcare, LLC proposes to construct a new 60 bed inpatient psychiatric hospital at an unaddressed site on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike, Columbia (Maury County), TN. If approved, TriStar Maury

Regional Behavioral Healthcare's 60 licensed psychiatric beds will consist of 42 adult beds (ages 18-69) and 18 adolescent beds (ages 13-17).

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW:

Psychiatric Inpatient Services

Standards and Criteria

1. Determination of Need: The population-based estimate of the total need for psychiatric inpatient services is a guideline of 30 beds per 100,000 general population, using population estimates prepared by the TDH and applying the applicable data in the Joint Annual Report (JAR). These estimates represent gross bed need and shall be adjusted by subtracting the existing applicable staffed beds including certified beds in outstanding CONs operating in the area as counted by the TDH in the JAR. For adult programs, the age group of 18-64 years shall be used in calculating the estimated total number of beds needed; additionally, if an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used. For child inpatients, the age group is 12 and under, and if the program is for adolescents, the age group of 13-17 shall be used. The HSDA may take into consideration data provided by the applicant justifying the need for additional beds that would exceed the guideline of 30 beds per 100,000 general population. Special consideration may be given to applicants seeking to serve child, adolescent, and geriatric inpatients. Applicants may demonstrate limited access to services for these specific age groups that supports exceeding the guideline of 30 beds per 100,000 general population. An applicant seeking to exceed this guideline shall utilize TDH and TDMHSAS data to justify this projected need and support the request by addressing the factors listed under the criteria "Additional Factors".

Service Area	Population 2020		Gross Need Pop. X (30 beds/100,000)		Current Beds		Net Need	
	13-17	18-64	13-17	18-64	13-17	18-64	13-17	18-64
Bradley, Grundy, Hamilton, Marion, and Sequatchie Counties	21,064	179,608	6.3	53.9	0	0	6.3	53.9

According to the TDMHSAS Report, there are no licensed beds in the proposed service area for ages 13-17 and 18-64. The psychiatric bed formula indicates a net psychiatric bed need of 6.3 for ages 13-17 and 53.9 ages 18-64.

When considering only adolescents ages 13-17, it appears that this criterion has not been met. The applicant is proposing 18 psychiatric adolescent beds for ages 13-17 which will create a surplus of 11.7 beds for ages 13-17 in the proposed service area if approved.

Note to Agency members: The TDMHSAS report notes the application of the formula sometimes results in an underestimation of the number of inpatient psychiatric beds needed.

When considering only adults ages 18-64, it appears that this criterion has been met. The applicant is proposing 42 psychiatric beds for ages 18-64 which will result in reducing the unmet need to 11.9 beds for ages 18-64 in the proposed service area if approved.

2. Additional Factors: An applicant shall address the following factors:
a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

The applicant will accept short-term involuntary admissions.

It appears that this criterion has been met.

b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

The applicant projects a payor mix of 25.0% TennCare in Year One. Charity care totals $1,502,000 in Year Two, equaling 357.8 patient days.

It appears that this criterion has been met.

c. The number of beds designated as "specialty" beds (including units established to treat patients with specific diagnoses);

The applicant will not have any beds designated as "specialty beds".

It appears that this criterion has not been met.

d. The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;

The applicant plans to offer psychiatric intensive outpatient program (IOP) services. However, psychiatric hospitalization services will not be offered as part of a continuum of care by the applicant.

It appears that this criterion has been partially met.

e. Psychiatric units for patients with intellectual disabilities;

The applicant will not provide a unit specific to patients with intellectual disabilities.

It appears that this criterion has not been met.

f. Free standing psychiatric facility transfer agreements with medical inpatient facilities;

The applicant will have a transfer agreement with Maury Regional Hospital. A draft copy is provided in the miscellaneous attachment to the application.

It appears that this criterion has been met.

g. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and

The applicant will accept involuntary admissions and patients with a dual diagnosis.

It appears that this criterion has been met.

h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

The applicant will focus on short stay acute patients diagnosed with a psychiatric condition.

It appears that this criterion has been met.

i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

Not applicable to the proposed service area.

j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

The proposed service area does not have a crisis stabilization unit.

It appears that this criterion has been met.

3. Incidence and Prevalence: The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

The applicant has provided a Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) graph located in Supplemental #2 that indicates the percentage of youth who had at least one major depressive episode in the last year in Region 5 (South Central areas), which includes the primary service area was 8.5% in 2010-2012. This compares to 8.3% in Tennessee overall and 8.5% in the US overall.

It appears that this criterion has been met.

4. Planning Horizon: The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

The applicant provided the following need prediction for Year One (2019) and Year Two (2020) of the proposed project.

Year	Beds	Patient Days	ADC	% Occupancy
Year 1	60	11,630	31.9	53.1%
Year 2	60	15,739	43.1	71.9%

Source: CN1610-036, Page 36

It appears that this criterion has been met.

5. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

The applicant provided a service accessibility chart in Table A-6B-3 on page 14 of the application which indicated the average 1-way drive from all the 10 proposed service area counties is 45 minutes. Approximately 85% of the project's target population resides in Maury, Giles, Hickman, Lawrence, Lincoln, Marshall and Maury Counties that have an average drive time to the proposed site of 36 minutes.

It appears that this criterion has been met.

6. Composition of Services: Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a CON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with

psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

The composition of population served, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

The applicant will admit patients with a dual diagnosis of mental health and substance abuse.

It appears that this criterion has been met.

7. Patient Age Categorization: Patients should generally be categorized as children (0-12), adolescents (13-17), adults (18-64), or geriatrics (65+). While an adult inpatient psychiatric service can appropriately serve adults of any age, an applicant shall indicate if they plan to only serve a portion of the adult population so that the determination of need may be based on that age-limited population. Applicants shall be clear regarding the age range they intend to serve; given the small number of hospitals who serve younger children (12 and under), special consideration shall be given to applicants serving this age group. Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

The applicant will serve adolescents ages 13-17 and adults 18-69 years of age.

It appears that this criterion has been met.

8. Services to High-Need Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

The applicant will accept involuntary admissions. The applicant projects a payor mix of 25.0% TennCare in Year One. Charity care totals $1,502,000 in Year Two, equaling 357.8 patient days.

It appears that this criterion has been met.

9. Relationship to Existing Applicable Plans; Underserved Area and Populations: The proposal's relationships to underserved geographic areas and underserved population groups shall also be a significant consideration. The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered. The degree of projected financial participation in the Medicare and TennCare programs shall be considered.

Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.

> *The applicant will accept involuntary admissions. The applicant projects a payor mix of 25.0% TennCare in Year One. Charity care totals $1,502,000 in Year Two, equaling 357.8 patient days.*
>
> *All of the 10 county proposed service area (Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, and Wayne counties) is designated as a medically underserved area (MUA).*
>
> *The applicant has provided adult psychiatric occupancy and utilization trends for the proposed 10 county service area.*
>
> *It appears that this criterion has been met.*

10. Expansion of Established Facility: Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of

plans, service area, and populations served, in accordance with the original project proposal.

Not applicable to this application.

11. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LBGT population).

The applicant will seek accreditation by the Joint Commission. Services will include cultural sensitivity to all patients.

It appears that this criterion has been met.

12. Institution for Mental Disease Classification: It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criteria and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

The applicant will be classified as an IMD that will serve TennCare enrollees ages 21-64. There is currently no mechanism in place to determine the potential impact on the cost of patient care for TennCare enrollees aged 21-64 who receives care at an IMD.

It is unclear if this criterion is met.

13. Continuum of Care: Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

The applicant will provide only limited medical care upon admission. If needed, patients will be referred to Maury Regional Medical Center if medical treatment is required.

It appears that this criterion has been met.

14. Data Usage: The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

The applicant used data from the TDH.

It appears that this criterion has been met.

15. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

However, when considering applications for expansions of existing facilities, the HSDA may determine whether the existing facility's staff would continue without significant change and thus would be sufficient to meet this standard without a demonstration of efforts to recruit new staff.

A 4 page staffing matrix is provided in supplemental #1 of the application. The project will require 52.74 FTEs.

It appears that this criterion has been met.

16. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g., agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

The applicant has a community linkage plan which links patients to the available appropriate level of care upon discharge.

It appears that this criterion has been met.

17. Access: The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed service area.

All of the 10 county proposed service area (Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, and Wayne counties) is designated as a medically underserved area (MUA).

It appears that this criterion has been met.

18. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

The applicant plans to provide a quality improvement program that includes outcome and process monitoring systems. Surveys of HCA owned facilities are included in Supplemental #2.

It appears that this criterion has been met.

19. Data Requirements: Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

The applicant agrees to provide all reasonably requested information.

It appears that this criterion has been met.

STAFF SUMMARY

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italic.

TriStar Maury Behavioral Healthcare, LLC seeks to construct a 52,000 gross square foot 60 bed licensed inpatient freestanding psychiatric facility on a 5.25 acre level tract in Columbia (Maury County), TN. The applicant proposes to also provide psychiatric intensive outpatient program services.

If approved, the applicant projects the proposed facility will open in October 2018.

History

- According to the applicant, Maury Regional Medical Center (Maury County) had a 14 bed psychiatric inpatient unit and an 11 bed inpatient substance abuse unit serving primary adults ages 18+ that closed in 1997.
- The beds for both units were converted to skilled nursing beds which at the time were more strongly needed for area patients.

Need

The applicant provides the following justification in the application:

- The proposed ten county rural service area has no significant available acute inpatient psychiatric care for adolescents ages 13-17 and non-geriatric adult ages 18-69.
- Placing a mental health hospital within the service area also assures that appropriate post-discharge care will be reasonably accessible to these ages of patients for the first time.
- The State Health Plan psychiatric bed formula indicates a net psychiatric bed need of 6.3 for ages 13-17, and 53.9 ages 18-64.
- Without this resource, emergency departments in the proposed 10 county service area will continue to receive patients who must be retained in the emergency department until an appropriate inpatient psychiatric bed is secured in an inpatient psychiatric facility located in counties (normally Davidson, Williamson, and Rutherford Counties) outside of the proposed service area.

Note to Agency members: The applicant does not plan to offer psychiatric partial hospitalization services, which is a step-down from psychiatric inpatient care in Year One and Year Two.

Ownership

The ownership structure for the applicant is as follows:

- TriStar Maury Behavioral Healthcare, LLC is a limited liability company formed September 21, 2016 registered with the Tennessee Secretary of State.
- TriStar Maury Behavioral Healthcare, LLC is wholly owned by Maury County Behavioral Health, LLC whose ultimate parent company is HCA, Inc.
- An Organizational chart is located in Attachment Section A-4.A.

Note to Agency members: If approved, the applicant states that an affiliate of Maury Regional Hospital (a public nonprofit entity) will acquire 49% membership in the near future, and will provide 49% of the capital costs required for the project. The applicant states that if a definitive joint venture agreement cannot be agreed upon between the

HCA affiliate and Maury Regional affiliate, the CON will be surrendered by the applicant.

Facility Information

- The proposed one-story building will consist of two patient wings. One wing will be designated for adolescents and the other for adults.
- The facility will include an in-house pharmacy, four outdoor fenced activity yards, two outpatient therapy rooms (one for adolescents and one for adults), consultation rooms (2), seclusion room (1), lab/exam room (1), consultation rooms (2), treatment planning area (1), nurses station (1), group therapy area (2), staff offices lounge, and support areas.
- The proposed facility will be located on 5.25 acres and will contain approximately 160 parking spaces of which 4 will accommodate those who are handicapped.
- A letter dated October 11, 2016 from Bradford P. Stengel, AIA, states the construction project will be designed and built to all applicable State licensing and Federal Regulations.
- A plot plan is located in Attachment Section A-6B-(1) a-d.
- Please refer to the floor plan on page 70 of Attachment A-3A (1) for additional information.

The following chart displays the current and proposed bed complement.

Private/Semi-Private Room and Bed Mix

Sub-Unit Name	Proposed Private Rooms/Beds		Proposed Semi-Private Rooms/Beds	
	Rooms	Beds	Rooms	Beds
Adult 1	2	2	14	28
Adult 1A	0	0	6	12
Subtotal Adult	**2**	**2**	**20**	**40**
Adolescent 2	0	0	4	8
Adolescent 2A	2	2	4	8
Subtotal Adolescent	**2**	**2**	**8**	**16**
Totals	4	4	28	56

Source: CN1610-036, Page 69

Service Area Demographics

Primary Service Area

The applicant's declared primary service area is Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, and Wayne Counties.

- The total population of the primary service area is estimated at 300,636 residents in calendar year (CY) 2016 increasing by approximately 3.2% to 310,326 residents in CY 2020.
- The total target population (13-69) age population is estimated at 217,732 residents in CY 2016 increasing approximately 1.5% to 221,097 residents in 2020.
- The total population of the state of Tennessee is expected to grow 4.3% during the same timeframe.
- The 13-69 age population in the state of Tennessee overall is expected to increase 2.3% during the same timeframe.
- The latest 2016 percentage of the primary service area population enrolled in the TennCare program is approximately 23.2%, as compared to the statewide enrollment proportion of 22.8%.

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

Service Area Historical Utilization

Acute Care Utilization Trends, 2013-2015

The following chart illustrates the 2013-2015 occupancy and utilization of geriatric psychiatric hospitals in the proposed 10 county service area that reported licensed adult psychiatric beds.

2013-2015 Geriatric Service Area Acute Care Hospitals Licensed Bed Occupancy

Facility	County	Licensed Beds	Patient Days			Licensed Occupancy			% Change 2011-2013
			2013	2014	2015	2013	2014	2015	
Hillside Hospital	Giles	14	2,725	2,470	2,584	53.3%	48.3%	50.5%	-5.2%
Lincoln Medical Center	Lincoln	10	2,171	2,709	2,096	59.5%	74.2%	57.4%	-3.4%
Perry Community Hospital	Perry	14	2,618	2,278	1,869	51.2%	44.6%	41%	-28.6%
Behavioral Healthcare of Columbia	Maury	16	3,476	3,650	3,963	59.5%	62.5%	67.8%	+14%
Total		**54**	**10,990**	**10,107**	**10,512**	**55.7%**	**51.2%**	**53.3%**	**-4.3%**

Source: Joint Annual Report of Hospitals 2013-2015, Division of Health Statistics, Tennessee Department of Health

- The overall utilization of inpatient acute facilities in the primary service area decreased 4.3% from 10,990 patient days in 2013 to 10,512 days in 2015.
- In 2015 the licensed occupancy of inpatient adult acute care facilities ranged from 41% at Perry Community Hospital to 67.8% at Behavioral Healthcare at Columbia.

%Age Mix of Acute Psychiatric Patient Days in Service Area Hospitals-2015

Hospital	% Age 0-17	%Age 18-64	%Age 65+
Hillside Hospital	0%	0%	100%
Lincoln Medical Center	0%	28%	72%
Perry Community Hospital	0%	9%	91%
Behav. Healthcare of Columbia	0%	6%	94%
Total	**0%**	**11%**	**89%**

Source: Joint Annual Report, 2015

- The chart above confirms that the existing psychiatric units in the service area primarily serve the Age 65+ population.

Applicant Historical and Projected Utilization

- Since this is an application for a new psychiatric hospital, there is no historical utilization for the applicant.

Applicant Psychiatric Unit Projected Utilization

The applicant's overall projected utilization for the inpatient psychiatric unit is presented in the following table.

Year	Beds	Patient Days	ADC	% Occupancy
Year 1 (2019)	60	11,630	31.9	53.1%
Year 2	60	15,739	43.1	71.9%
Year 3	60	16,375	44.9	74.8%
Year 4	60	17,026	46.6	77.7%
Year 5	60	17,693	48.5	80.8%

Source: CN1610-036, Table B-Need-6, Page 36

Projected utilization for ages 13-17 and 18-69 Year One and Year Two is presented in the following table.

Projected Inpatient Utilization

Variable	2019	2020
Ages 13-17 Psych Licensed Beds	18	18
Ages 13-17 Psych. Admissions	471	636
Ages 13-17 Psych. Pat. Days	3,333	4,770
Ages 13-17 Psych ALOS	7.5	7.5
Ages 13-17 Psych ADC	9.1	13.1
Ages 13-17 % Lic. Occ.	50.7	72.6
Ages 18-69 Psych Licensed Beds	42	42
Ages 18-69 Psych. Admissions	881	1,194
Ages 18-69 Psych. Pat. Days	8,097	10,973
Ages 18-69 Psych ALOS	9.2	9.2
Ages 18-69 Psych ADC	22.2	30.1
Ages 18-69 % Lic. Occ.	52.8	71.6

Source: Supplemental #1, Page 31R.

- The inpatient psychiatric volume projected above assumes a 60% market share in Year 1 increasing to 80% in Year 5.

Project Cost

Major costs are:

- Construction Cost + Contingency- $15,730,000, or 65.4% of cost.
- Information Systems and Misc. Cost Fees- $1,098,250, or 8.3% of the total cost.
- For other details on Project Cost, see the Project Cost on page 39 in the original application.
- The construction cost is $275.00 per square foot (/SF). As reflected in the table below, the new construction cost is between the first quartile and the median of statewide hospital new construction projects from 2013 to 2015.

Statewide Hospital Construction Cost per Square Foot
2013-2015

	Renovated Construction	New Construction	Total Construction
1st Quartile	$160.66/sq. ft.	$244.85/sq. ft.	$196.62/sq. ft.
Median	$223.91/sq. ft.	$308.43/sq. ft.	$249.67/sq. ft.
3rd Quartile	$297.82/sq. ft.	$374.32/sq. ft.	$330.50/sq. ft.

Source: HSDA Applicant's Toolbox

Financing

An October 31, 2016 letter from C. Eric Lawson, TriStar Health's Chief Financial Officer, confirms TriStar Health has sufficient financial resources to fund Parkridge West Hospital's proposed project cost from cash reserves.

HCA Holdings Inc.'s audited financial statements for the period ending December 31, 2015 indicates $741,000,000 in cash and cash equivalents, total current assets of $6,232,000,000, total current liabilities of $5,516,000,000, and a current ratio of 1.67:1.

HCA Holdings currently controls 100% of the applicant LLC. As noted earlier if the project is approved it is expected that an affiliate of Maury Regional Hospital will acquire 49% ownership in the applicant LLC and contribute 49% of the capital cost. Maury Regional Hospital's audited financial statements for the period ending June 30, 2015 indicates $37,900,703 in cash and cash equivalents, total current assets of $83,849,800, total current liabilities of $35,654,216, and a current ratio of 2.35:1.

Note to Agency members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Historical Data Chart

- Since this is an application for a new psychiatric hospital, a historical data chart is not applicable.

Projected Data Chart

Total Facility (60 Psych Beds)

The applicant projects $49,795,000.00 in total gross revenue on 11,630 days during the first year of operation and $66,095,000 on 15,739 days in Year Two (approximately $4,199 per day) on 60 psychiatric beds. The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal ($13,040) in Year One increasing to $1,076,680 in Year Two.
- Net operating revenue after contractual adjustments is expected to reach $14,058,000 or approximately 21.3% of total gross revenue in Year Two.
- Charity care totals $1,502,000 in Year Two, equaling 357.8 patient days.

Charges

In Year One of the proposed project (60 beds), the average charges are as follows:

- The proposed average gross charge is $4,282/day in 2018.
- The average deduction is $3,321/day, producing an average net charge of $961/day.

Payor Mix

The applicant's projected payor mix in the first year of the project is displayed in the following table:

Payor Source	Projected Gross Operating Revenue	%Total Revenue
Medicare/Medicare Managed Care	$20,764,515	41.7%
TennCare/Medicaid	$12,448,750	25.0%
Commercial/Other Managed Care	$12,747,520	25.6%
Self-Pay	$1,244,875	2.5%
Charity Care	$1,244,875	2.5%
Other	$1,344,465	2.7%
TOTAL	**$49,795,000**	**100.0%**

Note to Agency members: The applicant has indicated that the focus of the project is to serve the adolescent and non-geriatric adult population, yet the proposed payor mix is over 40% Medicare. Agency members may wish to inquire about the proposed payor mix.

PROVIDE HEALTHCARE THAT MEETS APPROPRIATE QUALITY STANDARDS

Licensure

- TriStar Maury Regional Behavioral Healthcare Hospital will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services.

Certification

- The applicant will seek certification from Medicare and TennCare.

Accreditation

- The applicant will seek accreditation by The Joint Commission as an Acute Behavioral Healthcare Hospital.
- Copies of HCA owned hospital's Joint Commission surveys are located in Supplemental #2.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE

Agreements

- The applicant will have a transfer agreement with Maury Regional Hospital. A draft copy is provided in the miscellaneous attachment to the application.
- Maury Regional Hospital is 1.6 miles from the applicant's proposed location.

Impact on Existing Providers

- The applicant states the proposal will not have any negative impact on other providers since there are no adolescent and non-geriatric programs in the proposed service area

Note to Agency members: In the first supplemental response the applicant does "concede that the impact of the project on Rolling Hills will initially be adverse, but Rolling Hills admissions will recover swiftly, with its location in one of America's fastest-growing urban areas, and the population's growing awareness of the availability of help with behavioral issues". Rolling Hills Hospital is a 120 bed mental health hospital in adjacent Williamson County in Franklin. Rolling Hills Hospital filed a CON (CN0612-096A) in December 2006 for 80 beds. In 2013 Rolling Hills filed a CON application (CN1312-051A) for an additional 40 beds. In the 2013 application the applicant indicated the bed mix would be 79 adult psychiatric beds, 14 geriatric psychiatric beds, 18 child/adolescent psychiatric beds, and 9 adult chemical dependency detox beds. In 2015 Rolling Hills Hospital reported staffing 85 beds and reported 25,451 patient days resulting in an annual staffed occupancy for 2015 of 82.0%.

Staffing

The applicant's Year One proposed direct patient care staffing includes the following:

- 1.0 FTE Chief Nursing Officer
- 2.0 Nurse Manager
- 2.0 Nurse Manager
- 26.74 FTE Nurses, and
- 12.60 Mental Health Techs, and
- 2.80 FTE Activity Therapist, and
- 5.6 FTE Social Workers
- 52.74 FTE Total

Note to Agency members: The applicant indicates two board certified psychiatrists have been identified as the project's first medical staff. However, the two psychiatrists are not board certified in child psychiatry. The applicant plans to recruit a psychiatrist with a specialty in child psychiatry during implementation of the project.

The applicant has submitted the required information on corporate documentation and title and deeds. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's office.

Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications, or Outstanding Certificates of Need for this applicant.

Maury Regional Medical Center has financial interests in this project and the following:

Outstanding Certificates of Need

Maury Regional Medical Center, CN1505-017A, has an outstanding Certificate of Need that will expire on October 1, 2018. The project was approved at the August 26, 2015 Agency meeting for the renovation of 28,000 square feet of space on the fifth floor of the hospital's West Tower. The fifth floor of the West Tower will consolidate two critical care units presently located on the first and second floors of the hospital. The distribution of licensed beds will change by increasing critical care beds from 24 to 26 and decreasing the licensed surgical beds from 61 to 59. The estimated project cost is **$11,624,715**. *Project Status: As of February 2017, the applicant reports the project is complete as of November 2016. A final project report is pending.*

NHC/Maury Regional Transitional Care Center, CN1307-025AEE, has an outstanding Certificate of Need that will expire on April 1, 2017. The project was approved at the October 23, 2013 Agency meeting for the relocation and replacement of two (2) separately licensed nursing home facilities; NHC Healthcare Hillview and Maury Regional Hospital Skilled Nursing Unit, into one new center with a total of 112 beds. NHC/Maury Regional Transitional Care

Center is a joint venture between NHC and Maury Regional Hospital. The estimated project cost is **$18,161,672.** *Project Status: A status update on 10/26/2016 indicated the project was 72% complete as of July 2016. The applicant projected the project would be complete as of January 2017.*

HCA has financial interests in this project and the following:

Pending Applications

Parkridge West Hospital, CN1611-039, has a pending application that will be heard at the February 22, 2017 Agency meeting for conversion of 8 unstaffed medical surgical beds to adult (Age 18+) acute psychiatric beds. If approved the applicant's adult psychiatric unit will increase from 20 beds to 28 beds. The overall licensed bed complement of the hospital, 70 beds, will not change. The estimated project cost is **$2,184,808.**

Skyline Medical Center, CN1612-041 has a pending application that will be heard at the April 26, 2017 Agency meeting for the transfer of 31 medical-surgical beds from TriStar Skyline's satellite campus located at 500 Hospital Drive, Madison (Davidson County), TN, into newly constructed space at its main campus at 3441 Dickerson Pike, Nashville (Davidson County). The applicant is owned by HCA Holdings, Inc. The service area consists of Davidson, Sumner, Robertson, and Montgomery Counties. The estimated project cost is **$30,038,000.**

Denied Applications:

TriStar Southern Hills Medical Center Emergency Room, CN1412-050D, was denied at the March 25, 2015 Agency meeting. The application was for the establishment of a satellite emergency department facility in a leased building to be constructed. The facility was to contain 8 treatment rooms for emergency services at an unaddressed site at the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. The estimated project cost was **$11,500,000.00.** *Reason for Denial: The application was denied based on inadequate proof of orderly development but is currently under appeal.*

Summit Medical Center, CN1206-029D, was denied at the September 26, 2012 Agency meeting. The application was for the establishment of a 20 bed acute inpatient rehab unit and service in its hospital facility by converting 20 adult psychiatric beds and reclassifying the adult psychiatric unit to an inpatient rehabilitation unit. The estimated project cost was **$2,500,000.00** *Reason for Denial:*

The need and orderly development aspects of the application failed to meet the statutory criteria.

Outstanding Certificates of Need

TriStar Centennial Medical Center, CN1602-008A, has an outstanding Certificate of Need that will expire on July 1, 2019. The project was approved at the May 25, 2016 Agency meeting to acquire an additional 1.5 MRI unit at a cost in excess of $2 million. The project will also renovate existing space of the imaging department located on the 1st floor of the hospital inpatient tower. If approved, the proposed unit will be 1 of 4 MRI units operated under the hospital's license on the main hospital campus at 2300 Patterson Street, Nashville, TN 37203. **The estimated project cost is $3,128,317.** *Project Status Update: A 2/13/17 email from a representative of the applicant indicated that the MRI is installed and the first clinical patient was scanned on 1/5/17. Centennial is still working with contractors to complete the final punch lists and get their invoices. The final project report will be filed on or before 4/5/17.*

Centennial Medical Center, CN1407-032A, has an outstanding Certificate of Need that will expire on June 29, 2019. The project was approved at the October 22, 2014 Agency meeting for the renovation of the main emergency department, the development of a Joint Replacement Center of Excellence with 10 additional operating rooms; and the increase of the hospital's licensed bed complement from 657 to 686 beds. The estimated project cost was **$96,192,007.00.** *Project Status Update: This project is no longer under appeal and has the expiration date extended to June 29, 2019. An annual progress report dated 1/9/17 indicated that construction will begin in 2017.*

TriStar Horizon Medical Center, CN1510-047A, has an outstanding Certificate of Need that will expire on March 1, 2019. The application was approved at the January 26, 2016 Agency meeting for the initiation of neonatal intensive care (NICU) services in a 6-bed Level II neonatal nursery through renovation of existing space on the 2nd floor of Horizon Medical Center located at 111 Highway 70 East in Dickson, Tennessee. The estimated project cost **is $975,500**. *Project Status Update: An Annual Progress Report dated 2/13/17 indicated that complete construction documents for the NICU have been completed and 3 general contractor bids have been solicited. The applicant anticipated starting construction during the first quarter of 2017 and being fully operational by the end of 2017.*

Summit Medical Center, CN1508-031A, has an outstanding Certificate of Need that will expire on January 1, 2019. The project was approved at the November

18, 2015 Agency meeting for the establishment of a 8,864 SF satellite emergency department (ED) containing 8 examination and treatment rooms to be located at an unaddressed site in the southwest quadrant of intersection of I-40 and Beckwith Road (Exit 229), 100 yards west of Beckwith Road, Mt. Juliet (Wilson County), TN 37122. Located at interstate 40 Exit 229 approximately 9.9 miles east of TriStar Summit Medical Center's main emergency department, the proposed satellite ED will be a full-service, 24-hour, physician-staffed satellite facility operated as a department of Summit Medical Center with the same emergency medical physician coverage and full-time emergency diagnostic and treatment services as the main hospital. The estimated project cost is **$11,106,634**. *Project Status Update: The last Annual Progress Report was received on 11/18/2016. The report states that the construction on the facility has begun.*

Summit Medical Center, CN1505-020A, has an outstanding Certificate of Need that will expire on October 1, 2018. The project was approved at the August 26, 2015 Agency meeting for the renovation of existing patient floors to include the addition of 2 medical/surgical beds, the addition of 8 inpatient rehabilitation beds, and the de-licensure of 6 obstetric beds by converting 6 LDRP beds to LDR beds; resulting in a net increase of 4 licensed beds. The total estimated project cost is **$4,892,904.** *Project Status Update: An annual progress report dated 11/18/2016 indicates the project was completed on 11/15/2016. A final project report is pending.*

Parkridge Medical Center, CN1503-007A, has an outstanding Certificate of Need that will expire on July 1, 2018. The project was approved at the June 24, 2015 Agency meeting for the renovation and expansion of several patient care and support department areas of the facility and the acquisition of an additional cardiac catheterization laboratory and bone densitometry unit on its main campus. The project will not change the 275 licensed bed complement of the hospital. The estimated project cost is **$61,459,477**. *Project Status Update: Per e-mail update submitted on 02/10/2017, the project is completing the first phase of completion. The laboratory buildout and relocation is scheduled to be completed on February 17. Work has also begun on phase two of the project, which is the addition of three bays and finish upgrades to the PACU. The project is scheduled to be completed by the end of 2017, early 2018.*

Southern Hills Surgery Center, CN1411-047A, has an outstanding Certificate of Need that will expire July 1, 2017. The project was approved at the May 27, 2015 Agency meeting for the relocation of Southern Hills Surgery Center from 360 Wallace Road, Nashville (Davidson County), TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood

(Davidson County), TN 37250. The estimated project cost is **$17,357,832.00.** *Project Status Update: The project was approved and has been appealed by Saint Thomas Campus Surgicare, L.P., Baptist Surgery Center, L.P., Baptist Plaza Surgicare, L.P., Franklin Endoscopy Center, LLC, and Physicians Pavilion, L.P. As of 02/08/2017, the project remains under appeal.*

Hendersonville Medical Center, CN1302-002A, has an outstanding Certificate of Need that will expire on January 1, 2018. The project was approved at the June 26, 2013 Agency meeting to construct a new fourth floor of medical surgical beds and initiate Level IIB Neonatal Intensive Care services in a new six (6) bed licensed Level IIB Neonatal Intensive Care Unit (NICU) on its campus at 355 New Shackle Island Road, Hendersonville (Sumner County) Tennessee, 37075. The proposed project will not change the total licensed bed complement. The hospital currently holds a single consolidated license for 148 general hospital beds, of which 110 are located at its main Hendersonville campus and 38 are located at its satellite campus at 105 Redbud Drive, Portland (Sumner County), TN 37148. The applicant will relocate 13 beds from the satellite campus to the main campus, resulting in 123 licensed beds at the Hendersonville campus and 25 licensed beds at the Portland satellite campus. The estimated cost of the project is $**32,255,000.00.** *Project Status Update: The project was granted an 18-month extension by the Agency at the May 25, 2016 meeting. An email status update by a representative of the applicant dated 2/13/17 indicated that the NICU portion of the project is operational. The renovations for bed transfers from Portland to Hendersonville are more than 50% complete and it is expected that final completion will be September 2017.*

Natchez Surgery Center, CN1002-011AME, has an outstanding Certificate of Need that will expire on July 1, 2017. It was approved at the May 26, 2010 Agency meeting for the establishment of an ambulatory surgical treatment center (ASTC) with three (3) operating rooms and three (3) procedure rooms. After approval, CN801-001A was surrendered which was a similar facility for this site at 107 Natchez Park Drive, Dickson (Dickson County), TN. The estimated cost of the project was **$13,073,892.00.** *Project Status: The ASTC will be constructed on the 2nd floor of a new building under construction that will also house the ED on the 1st floor of the building as approved in Horizon Medical Center Emergency Department, CN1202-008AE. Construction on the ASTC will begin once the ED is completed by August 1, 2015. The applicant requested a modification at the March 2012 Agency meeting to extend the expiration date for three (3) years from July 1, 2012 to July 1, 2015; reduce the number of operating rooms from three (3) to two (2) and procedure rooms from three (3) to one (1); reduce project costs by $4,201,823 from $13,073,892 to $8,872,069; and reduce square footage by 4,965 from 15,424 to 10,459 square feet. Both*

CN1202-008 and the modification to CN1002-011A were approved at the May 2012 meeting. The applicant's request for a 2 year extension of the expiration date to July 1, 2017 was approved at the June 24, 2015 Agency meeting. An annual Progress Report was filed on 2/13/17 which stated that the surgery center is being developed on the Natchez campus in the same building as the recently completed/opened free-standing emergency department. The shell for the surgery center has been completed and the project is in development to complete build-out construction, which is necessary to operationalize the surgery center. The Natchez campus is being developed in phases and the surgery center follows the freestanding ED, which opened in July 2015. The anticipated date of project completion is December 31, 2017. Since the CON is set to expire on 7/1/2017, the applicant was informed by email that a request for an extension would be advisable.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME
(02/08/2017)

LETTER OF INTENT

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Columbia News Herald, which is a newspaper of general circulation in Maury County, Tennessee, on or before October 10, 2016, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Maury Regional Behavioral Healthcare, (a proposed mental health hospital), to be owned by TriStar Maury Behavioral Healthcare, LLC (a limited liability company), and to be managed by Maury County Behavioral Health, LLC (a limited liability company), intends to file an application for Certificate of Need to establish a mental health hospital for adolescent and adult patients, located on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike, in Columbia, Tennessee 38401. The estimated project cost is $24,400,000.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 60-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is on or before October 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.
The anticipated date of filing the application is on or before October 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L. Wellborn 10-7-16 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

COPY

TriStar Maury Regional Behavioral Healthcare

CN1610-036

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

TriStar Maury Regional Behavioral Healthcare		
Name		
East side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike		Maury
Street or Route		*County*
Columbia	TN	38401
City	*State*	*Zip Code*
none		
Website Address		

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
Name		*Title*	
Development Support Group		jwdsg@comcast.net	
Company Name		*E-Mail Address*	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*
CON Consultant	615-665-2022	615-665-2042	
Association With Owner	*Phone Number*	*Fax Number*	

NOTE: **Section A is intended to give the applicant an opportunity to describe the project. Section B addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures. Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.**

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total, explaining each numbered point.

(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

- The project is to establish a 60-bed mental health hospital in Columbia (Maury County), to introduce acute psychiatric and substance abuse care for adolescent and adult patients ages 13-69, who live in a 10-county rural area south and southwest of Nashville.

- The project is a joint venture to be developed by Maury Regional Hospital and HCA, who have been working together for two years on a plan to introduce these services in the area. The name of the hospital will be TriStar Maury Regional Behavioral Healthcare.

- It will have 42 adult beds and 18 adolescent beds, and will be licensed by the Department of Mental Health and Developmental Disabilities as a 60-bed mental health hospital.

- A detailed physical description of the project and a summary of its clinical programs are provided in Attachment Section A-3A(1).

(2) Ownership Structure

- The CON applicant, owner, and licensee for this hospital will be TriStar Maury Behavioral Healthcare, LLC. At the time of this application, that LLC's sole member is Maury County Behavioral Health, LLC, whose sole member is HTI Hospital Holdings, Inc., which is wholly owned by HCA Holdings, Inc. through wholly-owned subsidiaries. However, it is intended that a 49% membership interest in that LLC will be acquired in the near future by Maury Regional Behavioral Healthcare, LLC, whose sole member is Maury Regional Hospital, a 501 (C)(3) non-profit entity. At that time, a 51% membership interest in this applicant LLC will be retained by

the HCA entities. For further details please see the organizational charts of Maury Regional Hospital and of HCA Holdings, Inc. in Attachment Section A-4A.

- The applicant has also established a new management company to manage the facility; its name is Maury County Behavioral Health, LLC. It is wholly owned by HCA Holdings, Inc., through wholly-owned subsidiaries. It will have a management contract with the CON applicant to manage the facility.

- Other than wholly owned affiliates of Maury Regional Hospital and HCA Holdings, Inc., no individual or legal entity owns, or is intended to own, directly or indirectly, any interests in the applicant LLC or the new management company for the project.

- Moreover, if a definitive agreement cannot be concluded between the HCA affiliate and the Maury Regional affiliate, to jointly own and implement this project, and the joint venture is not finalized, the CON will be surrendered by the applicant.

- An organization chart of the applicant's current ownership is in Attachment Section A-4A. Also included is a chart of Maury Regional, showing this proposed project's relationship to the Maury Regional organization.

(3) Service area

- The location of the project is in Columbia, Tennessee, the largest population center southwest of greater Nashville, in rural southwest Middle Tennessee.

- From this location, the project will serve a primary service area consisting of ten contiguous counties surrounding Columbia. They are Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, and Wayne Counties.

- The largest cities in these counties are significantly closer to the project site in Columbia, than they are to alternative providers of similar services outside the service area, in Nashville, Franklin, and Murfreesboro.

(4) Existing similar service providers

• The service area contains no provider of acute inpatient behavioral care for both adolescents (ages 13-17) and adults (ages 18-69), which are the focus of this project.

• The area contains four small hospitals with inpatient geropsychiatric units. These are Hillside Hospital in Pulaski/Giles County (14 beds); Lincoln Medical Center in Fayetteville/Lincoln County (10 beds); Perry Community Hospital in Linden/Perry County (14 beds); and Behavioral Healthcare Center at Columbia (16 beds).

(5)-(6) Project cost and Funding

• The estimated project cost is $24,033,431. Currently, the applicant LLC is owned entirely by HCA Holdings,Inc. After the CON is granted, and before further project funding is committed, Maury Regional Hospital will acquire 49% interest in the applicant LLC. The full project cost will then be funded in cash by the two owners in proportion to their ownership interests. Maury Regional Hospital will contribute 49%, or approximately $11,776,381. HCA Holdings, Inc. will contribute 51%, or approximately $12,257,050. If these two parties do not finalize their joint venture, HCA will not fund the project and will surrender the CON.

(7) Financial feasibility, including when the proposal will realize a positive financial margin; and

• The proposed hospital is projected to operate with a positive financial margin from its second year of operation onward (CY2020 and beyond).

(8) Staffing

• The applicant projects having a total of 93.7 employees in the facility's first full calendar year of operation, CY2019, increasing to 103.3 FTE's in Year Two.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

(1) Need

a. The project is needed to provide reasonable accessibility to acute inpatient mental healthcare. This ten-county rural service area has a wide array of acute care services--yet has no significant acute inpatient care for adolescents (ages 13-17) and non-geriatric adults (ages 18-69) who need behavioral healthcare. This is a serious deficiency. Currently, such area patients must seek admission to mental health hospitals in Davidson, Williamson, and Rutherford Counties, which are very long drives from their homes--averaging 1 to 1.5 hours' drive times between service area population centers and those hospitals. This project in Columbia will reduce one-way average drive times to only 45 minutes, along local highways more familiar to local residents. And for residents of the service area counties that comprise 85% of the CY2020 target population, the average drive time will average only approximately 36 minutes.

b. Placing a mental health hospital within the service area also assures that appropriate post-discharge care will be reasonably accessible to these ages of patients for the first time.

c. Need for the project is supported by the State Health Plan. The State Health Plan's criteria for CON review of Psychiatric Inpatient Services, which are considered very conservative by many providers of psychiatric care today, contain a bed need methodology indicating that between 60.2 to 66.3 beds are needed for the service area, for the care of adolescents and adults 13-69 years of age. While the area contains four small hospitals with licensed "adult" beds in very small units, these are used almost exclusively for geropsychiatric services to patients 65 years and older.

d. Without this resource, service area hospitals' Emergency Departments (ED) will continue to receive hundreds of patients annually, who cannot be adequately cared for in general

hospitals and who must be retained in the ED at significant expense until transferred to facilities out of the area. Being simply held in an ED for a mental health disorder is not good care for the patient; and it consumes staff resources and room ED space that hard-pressed rural hospitals can ill afford.

(2) Economic Feasibility

a. The TriStar Maury Regional Behavioral Healthcare facility has funding assured by large healthcare organizations with ample cash resources.

b. The hospital is also projected to operate at financially feasible levels. In Year Two it is projecting positive cash flow and a positive operating margin.

(3) Appropriate Quality Standards

The hospital will be licensed by the Tennessee Department of Mental Health and Developmental Disabilities, and will be accredited by the Joint Commission. It will meet or exceed all relevant quality standards of those organizations, and of the parties themselves, who have robust quality improvement programs in all of their hospital facilities, and are recognized by national rating organizations as having high quality services. Please see detailed quality discussions in the response on Quality at the end of Section B of this application.

(4) Orderly Development of adequate and effective health care

a. The project has been carefully considered and planned. For approximately two years, Maury Regional Hospital and HCA have been in discussions about how best to bring this type of care into the service area. Consideration was given to converting existing hospital beds to inpatient behavioral healthcare units; but due to the size of area demand, and to the difficulties of accommodating large behavioral care units and programs in existing spaces and patient populations, the parties decided that it would be preferable to pursue a co-owned, free-standing facility that could provide ample space for inpatient and outpatient programs of care in a more efficient and specialized setting. At one point, consideration was given to acquiring and

converting a local, soon-to-be-vacated skilled nursing facility; but that was not considered optimal because of the extensive renovation and design compromises that would entail, and because of the site's proximity to a church daycare program.

b. There is a general regional need for additional psychiatric beds even in Davidson and Rutherford Counties, to which some area patients out-migrate for mental healthcare. Expansions of inpatient behavioral bed capacity have been proposed and will continue to be proposed in these urban counties, indicating a need for the Columbia service area to invest in facilities that will retain its own patients for high-quality care more convenient to their homes.

c. The service area has long had acute psychiatric care for the elderly, in hospital units in four local hospitals. This having been deemed appropriate, it is logical and orderly to extend the area's scope of local inpatient behavioral care to the larger populations of adolescents and non-geriatric adults who need it.

d. The most appropriate providers to introduce this type of care in the service area are the area's acknowledged acute care service leader, Maury Regional Hospital, and one of Middle Tennessee's most experienced behavioral healthcare providers, HCA. No other hospital in this area of almost a quarter-million persons has the clinical scope and areawide support to undertake a project of this magnitude. No other Tennessee provider has more experience than HCA in designing and operating mental health beds and services; HCA is the third largest provider of acute mental healthcare services in the United States and has a corporate division dedicated to the operation of behavioral health programs in HCA facilities in Middle Tennessee and across the United States.

C. Consent Calendar Justification

If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

N/A

SECTION A (CONTINUED): PROJECT DETAILS

4.A. Owner of the Facility, Agency, or Institution

TriStar Maury Behavioral Healthcare, LLC c/o TriStar Health *Name*	615-886-4900 *Phone Number*
100 Winners Circle, First Floor *Street or Route*	Williamson *County*

Brentwood *City*	TN *State*	37027 *Zip Code*

B. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	X
D. Corporation (For-Profit)		I. Other (Specify):	
E. Corporation (Not-for-Profit)			

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website hpps://tnbear.tn.gov/Ecommerce/FilingSearch.aspx.

See Attachment Section A-4A.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

The CON applicant, owner, and licensee for this hospital will be TriStar Maury Behavioral Healthcare, LLC. At the time of this application, that LLC's sole member is Maury County Behavioral Health, LLC, whose sole member is HTI Hospital Holdings, Inc., which is wholly owned by HCA Holdings, Inc. through wholly-owned subsidiaries. As evidenced by an executed Letter of Intent (see Attachments), it is intended that a 49% membership interest in that LLC will be acquired in the near future by Maury Regional Behavioral Healthcare, LLC, whose sole member is Maury Regional Hospital, a 501 (C)(3) non-profit entity. At that time, a 51%

membership interest in this applicant LLC will be retained by the HCA entity. For illustration and additional details about ownership, please see the organizational charts of Maury Regional Hospital and of HCA, Inc. in Attachment Section A-4A.

Once the joint ownership arrangement is finalized, and the hospital is under development, the applicant will engage a management company to manage the facility; it will be Maury County Behavioral Health, LLC, the current sole member of the applicant LLC. As described above, that LLC is wholly owned by HCA Hospital Holdings, Inc., through wholly-owned subsidiaries. It will have a formal management contract with the CON applicant to manage the facility. It also owns HCA's membership interest in the applicant entity.

Other than wholly owned affiliates of Maury Regional Hospital and HCA, Inc., no individual or legal entity owns, or is intended to own, directly or indirectly, any interests in the applicant LLC or the new management company for the project.

Moreover, if a definitive agreement cannot be concluded between the HCA affiliate and the Maury Regional affiliate, to jointly own and implement this project, and the joint venture is not finalized, project implementation will not begin; and the CON will be surrendered by the applicant.

5A. Name of Management/Operating Entity (If Applicable)

Maury County Behavioral Health, LLC c/o TriStar Health *Name*		
100 Winners Circle, First Floor *Street or Route*		Williamson *County*
Brentwood *City*	TN *State*	37027 *Zip Code*
tristarhealth.com *Website Address*		

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

See Attachment Section A-5A.

6A. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease	
B. Option to Purchase	X	E. Other (Specify):	
C. Lease of ____ Years			

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

(1) Plot Plan must include:

a. Size of site (in acres);
b. Location of structure on the site;
c. Location of the proposed construction/renovation; and
d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-(1).

(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.

See Attachment Section A-6B-(2). The private and semi-private sizes of the patient rooms are indicated by the placement of one or two beds in each room in the drawing. All other clinical and support areas are clearly labeled.

(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The facility is located on North James Campbell Boulevard, a well-known major street in Columbia, on the northwest side of downtown Columbia.

Columbia is the largest hub of retail services, education and healthcare services in Middle Tennessee southwest of Nashville. Residents of the project service area have good access to the project site via multiple radial highway networks: Fayetteville by US 64, I-65, and US 412; Lewisburg by US 431 and US 42; Pulaski by US 31; Lawrenceburg by US 43; Linden and Hohenwald by US 412; Waynesboro by US 64 and US 43; Centerville by SR 50; and Lynchburg by SR 50 and US 431.

Table A-6B-(3) on the following page is a drive time table comparing average drive times between service area cities and this project, and between service area cities and the closest non-geriatric adult and adolescent inpatient mental healthcare providers that service area residents currently use outside the area.

This project will provide significantly increased accessibility to care for area residents. With only one negligible exception, every principal service area city is closer in drive time to this project in Columbia, than to any existing inpatient behavioral care provider. (The single exception is that the drive time from Lynchburg to Rolling Hills Hospital in Franklin is one minute shorter than the drive time to the Columbia project site.)

The round-trip drive times between all ten service area population centers and the proposed project average 90 minutes, compared to 131-188 minutes drive time to existing out-of-area providers. And the average of round-trip drive times from the six service area cities in counties comprising approximately 78% of the area population is only 64 minutes. Therefore, this project will significantly improve drive time accessibility for family members visiting inpatients who average staying more than a week in the hospital. Any region that is served by a sophisticated hospital like Maury Regional Hospital should have within its borders an inpatient resource for troubled adolescents and non-geriatric adults who need behavioral healthcare intervention in a controlled environment.

Table A-6B-(3): TriStar Maury Regional Behavioral Healthcare
Service Area Accessibility To The Project and To Closest Alternative Providers of
Both Adolescent and Adult Acute Behavioral Care (All Are Outside the Project's Primary Service Area)

Service Area County and Principal City		To Proposed Project in Maury County		To Rolling Hills Hospital in Williamson County		To Trustpoint Hospital in Rutherford County		To Centennnial Medical Center in Davidson County		To Vanderbilt Psychiatric Hospital in Davidson County		To Skyline Madison Medical Center in Davidson County	
County	***Principal City***	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**	**Miles**	**Minutes Drive Time**
Giles	Pulaski	32.0	43	60.3	69	75.7	71	74.5	73	73.3	75	86.2	87
Hickman	Centerville	28.3	34	54.5	59	74.4	75	58.3	67	61.5	73	70.8	80
Lawrence	Lawrenceburg	35.3	39	63.8	70	83.9	87	82.7	89	81.5	91	94.4	106
Lewis	Hohenwald	32.4	37	60.9	68	81.0	84	79.8	87	78.6	88	91.5	102
Lincoln	Fayetteville	48.2	63	70.9	66	54.9	74	89.8	85	88.6	87	102	101
Marshall	Lewisburg	22.9	34	39.2	40	59.3	57	58.2	60	57.0	62	69.9	72
Maury	Columbia	2.7	5	27.7	31	47.8	48	46.6	50	45.1	51	58.4	62
Moore	Lynchburg	57.0	75	55.9	74	43.8	61	74.6	90	74.3	92	83.6	101
Perry	Linden	51.5	62	93.7	90	114.0	107	85.8	88	89.0	99	98.3	103
Wayne	Waynesboro	53.1	57	81.5	87	102.0	105	100.0	108	99.2	108	112.0	126
Average 1-Way Drive Times			***45***		***65***		***77***		***80***		***83***		***94***
Average RT Drive Times			***90***		***130***		***154***		***160***		***166***		***188***

Source: Google Maps, 10-11-16 at 1:30 PM
Note: Drive Times 1-way are rounded; RT drive times are 2X the 1-way rounded time.

ADDRESSES OF MENTAL HEALTH ACUTE CARE PROVIDERS
Project:North James Campbell Boulevard at Old Willliamsport Pike, Columbia 38401
Rolling Hills: 2014 Quail Hollow Circle, Franklin 37067
Trustpoint: 1009 North Thompson Lane, Murfreesboro 37219
Centennial: 2300 Patterson Street, Nashville 37203
Vanderbilt: 1211 Medical Center Drive, Nashville 37232
TriStar Madison: 500 Hospital Drive, Madison 37115

Designates longer drive time than to the proposed project.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):		H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency		K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital	X	M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution	X	F. Change in Bed Complement *Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify):	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4): acute adult and adolescent behavioral health care	x		

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply): *The applicant will seek contracts with all these.*
____Amerigroup ____United Healthcare Community Plan _____BlueCare _____TennCare Select
Medicare Provider Number: To be requested
Medicaid Provider Number: To be requested
Certification Type: Mental Health Hospital
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?
Medicare Yes X No N/A
Medicaid/TennCare Yes X No N/A

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.)

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical						
2. Surgical						
3. ICU/CCU						
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric			42			42
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric			18			18
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home-Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	**N/A**	**N/A**	**60**	**N/A**	**N/A**	**60**

** Beds approved but not yet in service* *** Beds exempted under 10%/3 yrs provision*

B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

N/A

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

N/A

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

N/A

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	☐	☐	☐	Lauderdale	☐	☐	☐
Bedford	☐	☐	☐	Lawrence	☐	☐	☐
Benton	☐	☐	☐	Lewis	☐	☐	☐
Bledsoe	☐	☐	☐	Lincoln	☐	☐	☐
Blount	☐	☐	☐	Loudon	☐	☐	☐
Bradley	☐	☐	☐	McMinn	☐	☐	☐
Campbell	☐	☐	☐	McNairy	☐	☐	☐
Cannon	☐	☐	☐	Macon	☐	☐	☐
Carroll	☐	☐	☐	Madison	☐	☐	☐
Carter	☐	☐	☐	Marion	☐	☐	☐
Cheatham	☐	☐	☐	Marshall	☐	☐	☐
Chester	☐	☐	☐	Maury	☐	☐	☐
Claiborne	☐	☐	☐	Meigs	☐	☐	☐
Clay	☐	☐	☐	Monroe	☐	☐	☐
Cocke	☐	☐	☐	Montgomery	☐	☐	☐
Coffee	☐	☐	☐	Moore	☐	☐	☐
Crockett	☐	☐	☐	Morgan	☐	☐	☐
Cumberland	☐	☐	☐	Obion	☐	☐	☐
Davidson	☐	☐	☐	Overton	☐	☐	☐
Decatur	☐	☐	☐	Perry	☐	☐	☐
DeKalb	☐	☐	☐	Pickett	☐	☐	☐
Dickson	☐	☐	☐	Polk	☐	☐	☐
Dyer	☐	☐	☐	Putnam	☐	☐	☐
Fayette	☐	☐	☐	Rhea	☐	☐	☐
Fentress	☐	☐	☐	Roane	☐	☐	☐
Franklin	☐	☐	☐	Robertson	☐	☐	☐
Gibson	☐	☐	☐	Rutherford	☐	☐	☐
Giles	☐	☐	☐	Scott	☐	☐	☐
Grainger	☐	☐	☐	Sequatchie	☐	☐	☐
Greene	☐	☐	☐	Sevier	☐	☐	☐
Grundy	☐	☐	☐	Shelby	☐	☐	☐
Hamblen	☐	☐	☐	Smith	☐	☐	☐
Hamilton	☐	☐	☐	Stewart	☐	☐	☐
Hancock	☐	☐	☐	Sullivan	☐	☐	☐
Hardeman	☐	☐	☐	Sumner	☐	☐	☐
Hardin	☐	☐	☐	Tipton	☐	☐	☐
Hawkins	☐	☐	☐	Trousdale	☐	☐	☐
Haywood	☐	☐	☐	Unicoi	☐	☐	☐
Henderson	☐	☐	☐	Union	☐	☐	☐
Henry	☐	☐	☐	Van Buren	☐	☐	☐
Hickman	☐	☐	☐	Warren	☐	☐	☐
Houston	☐	☐	☐	Washington	☐	☐	☐
Humphreys	☐	☐	☐	Wayne	☐	☐	☐
Jackson	☐	☐	☐	Weakley	☐	☐	☐
Jefferson	☐	☐	☐	White	☐	☐	☐
Johnson	☐	☐	☐	Williamson	☐	☐	☐
Knox	☐	☐	☐	Wilson	☐	☐	☐
Lake	☐	☐	☐				

12. Square Footage and Cost Per Square Footage Chart for TriStar Maury Regional Behavioral Healthcare

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Administrative						7,025	7,025
Building Support						3,000	3,000
Dietary						3,900	3,900
Inpatient Nursing Units						17,815	17,815
Outpatient Therapy						3,455	3,455
Pharmacy						360	360
Public Spaces						1,275	1,275
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
Unit/Dept GSF Subtotal		0				36,830	36,830
Other GSF Subtotal						15,170	15,170
Total GSF		0				52,000	52,000
Total Cost*						$14,300,000.00	$14,300,000.00
**Cost Per Square Foot							$275.00
Cost per Square Foot is Within Which Range? (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					___ Below 1st Quartile	___ Below 1st Quartile	___ Below 1st Quartile
					___ Between 1st and 2nd Quartile	___ Between 1st and 2nd Quartile	__X_ Between 1st and 2nd Quartile
					___ Between 2nd and 3rd Quartile	___ Between 2nd and 3rd Quartile	___ Between 2nd and 3rd Quartile
					___ Above 3rd Quartile	___ Above 3rd Quartile	___ Above 3rd Quartile

** The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.*

*** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.*

13. MRI, PET, and/or LINEAR ACCELERATOR

Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, and/or describe the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

A. Complete the Chart below for acquired equipment. **N/A**

LINEAR ACCELERATOR	
Mev:	Total Cost*: $
Types: (indicate one)	By Purchase? __
__ SRS	By Lease? __
__ IMRT	
__ IGRT	Expected Useful Life (yrs): __
__ Other :	New? __
	Refurbished? __
	If not new, how old (Yrs)? __

MRI	
Tesla:	Total Cost*: $
Magnet: (indicate one)	By Purchase? __
__ Breast	By Lease? __
__ Extremity?	
__ Open?	Expected Useful Life (yrs): __
__ Short Bore?	New? __
__ Other --	Refurbished? __
	If not new, how old (Yrs)? __

PET	
PET Only? __	Total Cost*: $
	By Purchase? __
PET/CT? __	By Lease? __
PET/MRI? __	Expected Useful Life (yrs): __
	New? __
	Refurbished? __
	If not new, how old (Yrs)? __

**As defined by Agency Rule 0720-9-.01(13)*

B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

N/A

C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.

N/A

D. Schedule of Operations: **N/A**

Location	Days of Operation (Sun-Sat)	Hours of Operation
Fixed Site (Applicant)		
Mobile Locations		
Applicant		
Name of other location		
Name of other location		

E. Identify the clinical applications to be provided, that apply to the project.

N/A

F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.

N/A

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

APPLICANT'S STATEMENT OF THE NEED FOR THE PROJECT

The project is needed to provide reasonable accessibility to acute inpatient mental healthcare. This ten-county rural service area has a wide array of acute care services--yet has no acute inpatient care for adolescents (ages 13-17) and non-geriatric adults (ages 18-69) who need behavioral healthcare.

This is a serious deficiency. In CY2015, an estimated 2,049 area residents left the area to seek admission to mental health hospitals in Davidson, Williamson, and Rutherford Counties, which are very long drives from their homes. The applicant projects that this number will increase 10% to 2,254 patients by CY2019. One-way drive times average 1 to 1.5 hours' drive times between service area population centers and those hospitals. This project in Columbia will reduce one-way average drive times to only 45 minutes, along local highways more familiar to local residents. And for residents of the service area counties that comprise 85% of the CY2020 target population, the average drive time will average only approximately 36 minutes. Because of these advantages, the applicant expects to have 1,352 adult and adolescent admissions to this local facility in CY2019. That equates to 60% of the projected area demand for patients of all ages.

Placing a mental health hospital within the service area also assures that appropriate post-discharge and outpatient care will be reasonably accessible to these patients for the first time.

Need for the project is supported by the Guidelines for Growth for Psychiatric Inpatient Services, as described in the next section of this application. Their criteria for CON review of Psychiatric Inpatient Services (which are considered too conservative by many providers of psychiatric care today), contain a bed need methodology indicating that between 60.2 to 66.3 more beds are needed in the service area, for the care of adolescents and adults 13-69 years of age. There are no such beds in this project's service area at the present time.

Without this proposed resource, service area hospitals' Emergency Departments (ED) will continue to receive hundreds of patients annually, who cannot be adequately cared for in general hospitals and who must be retained in the ED at significant expense until transferred to facilities out of the area. Being simply held in an ED for a mental health disorder is not good care for the patient; and it consumes staff resources and room ED space that hard-pressed rural hospitals can ill afford.

QUESTIONS

NEED

1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency's website at http://tjn.gov/hsda/article/hsda-criteria-and-standards.

GUIDELINES FOR GROWTH
CERTIFICATE OF NEED STANDARDS AND CRITERIA
FOR
PSYCHIATRIC INPATIENT SERVICES

A. Need

1. The population-based estimate of the total need for psychiatric inpatient services is 30 beds per 100,000 general population (using population estimates prepared by the Department of Health and applying the data in the Joint Annual Reports).

2. For adult persons, the age group of 18 years and older should be used in calculating the estimated total number of beds needed.

3. For child inpatients under age 13, and if adolescent program the age group of 13-17 should be used.

4. These estimates for total need should be adjusted by the existent staffed beds operating in the area, as counted by the Department of Health in the Joint Annual Report.

Complies. Table B-Need-4A(2) in this application shows several population cohorts compiled from projections of the Tennessee Department of Health. This project will serve primarily adolescents and adults, ages 13-69. The applicant does not plan to offer a formal geropsychiatric unit or program because four "adult" programs limited almost entirely to geropsychiatric patients already exist in service area hospitals, and are underutilized. The applicant's adult program will admit some adults ages 65 through 69--but its focus will not be on the 65+ population.

The Guidelines above state a planning standard of 30 beds per 100,000 population, making no distinctions between use rates by age. The 30-bed standard is to be applied to children age 0-13, to adolescents age 13-17, and to adults age 18 and older--again, making no distinction between geriatric and non-geriatric adults. However, this project will not serve all

adults; it serves adolescents and adults up to age 69--leaving the geriatric population to be served by the four existing geropsychiatric programs in area hospitals. The Guidelines should be applied taking that into account.

To reasonably apply the bed need planning Guideline to this specific project, the applicant has projected bed need by three separate age cohorts in Table B-Need-A1 below. The population projections are from the current Tennessee Department of Health population projections. Population estimates and projections by county, service area, and the target cohort of 13-69 years are shown in Table B-Need-4A(2) in a later section of this application.

Table B-Need-A1: Service Area Behavioral Acute Care Bed Need
CY2020
Applying Guidelines for Growth Planning Standard

Age Cohort Used	*Ages 13-69*	*Ages 13-64*	*Ages 65 +*
Service Area Population 2020	221,097	200,672	63,191
Bed Need @ 30 beds / 100,000	66.3	60.2	19.0
Behavioral Beds Available *	0*	0*	54*
Net Bed Need (Surplus)	66.3	60.2	(-35)

** All 54 existing beds are "adult" from a licensure standpoint. They are at Hillside Hospital (14), Lincoln Medical Center (10); Perry Community Hospital (14); and THM (16). However, from a health planning standpoint they are available almost exclusively to geropsychiatric patients.*

From the applicant's perspective, the Guideline when properly applied indicates a need for 66.3 acute behavioral beds in the service area, because the area has no hospital beds at all that are used to serve any significant numbers of adolescents and non-geriatric adults. When applied to the more restrictive age cohort of 13-64 years of age, the Guideline still shows a need for 60.2 acute behavioral beds. The Guideline also indicates that there are more geriatric beds in the area than are needed for the elderly 65+ population; and this may be one factor in the 56.1% collective occupancy reported by the area's four acute geropsychiatric care programs.

In conclusion, reasonable application of the Guideline planning standard to the populations served by this project, taking into account the actual availability of existing beds for non-geriatric patients, indicates a need for the proposed 60-bed facility.

B. Service Area

1. The geographic service area should be reasonable and based on an optimal balance between population density and service proximity of the Community Service Agency.

The ten-county service area is accessible to the project site within a reasonable drive time, as shown below. Approximately 85% of the project's target population live in Maury and five other counties, which have an average drive time to the project of approximately 36 minutes.

The area contains sufficient population to support the proposed mental health hospital. There are no facilities in the area that offer psychiatric inpatient care to adolescents, or to non-geriatric adults.

Table B-Need-B1: Mileage and Drive Times Between Major Communities in the Primary Service Area and the Project Site (N. James Campbell Boulevard @ Old Williamsport Pike)

Principal Community	County	% of Target Population CY2020	Distance in Miles	Drive Time in Minutes
Pulaski	Giles*	9.5%	32.0	43 min.
Centerville	Hickman*	9.1%	28.3	34 min.
Lawrenceburg	Lawrence*	13.9%	35.3	39 min.
Hohenwald	Lewis	4.2%	32.4	37 min.
Fayetteville	Lincoln*	11.3%	48.2	63 min.
Lewisburg	Marshall*	11.3%	22.9	34 min.
Columbia	Maury*	29.9%	2.7	5 min.
Lynchburg	Moore	2.3%	57.0	75 min.
Linden	Perry	2.6%	51.5	62 min.
Waynesboro	Wayne	6.0%	53.1	57 min.

Source: Google Maps, 10-11-16 at 1:30 pm.
** Six counties comprising 85% of target population. Average drive time of 36 minutes.*

2. The relationship of the socio-demographics of the service area, and the projected population to receive services, should be considered. The proposal's sensitivity to and responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, and those needing services involuntarily.

Complies. The project is a joint effort by two leading acute care providers in Middle Tennessee. One brings to the project deep national and regional expertise in psychiatric care and inpatient facility management. The other is a hospital that is nationally recognized for its quality

of care, and is the recognized leader in acute care in the rural areas that this project will serve. Both operate facilities in Middle Tennessee that are highly accessible to the groups of patients listed above. The proposed facility will provide involuntary hospitalization in cooperation with the court systems of the service area.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in state, city, county, and/or regional plans and other documents should be a significant consideration.

Complies. The State of Tennessee has reduced its financial support of inpatient psychiatric facilities in recent years. As public programs have closed, need for new providers of this care have intensified due to unavailability of city, county, and regional facilities adequate for these types of conditions.

In addition, page 5 of the State Guidelines for Growth take positions that are supported by this project. They support directing delivery of services to the most medically appropriate and cost-effective settings, which this acute care service will offer, and which no other provider in the service area offers. The Guidelines also recommend that preference be given to patient accessibility and availability, which this project will improve. Currently hundreds of patients are having to leave the area to travel to Nashville and other locations for adolescent and adult mental healthcare in an acute care setting.

2. The proposal's relationship to underserved geographic areas and underserved population groups as identified in state, city, county and/or regional plans and other documents should be a significant consideration.

All or parts of the ten service area counties have been designated as Medically Underserved Areas. Please see Attachment "Miscellaneous" for details.

3. The impact of the proposal on similar services supported by state appropriations should be assessed and considered.

This project will not adversely impact the utilization of State-operated facilities, none of which exist within the service area. The Middle Tennessee Mental Health Institute in Davidson County has exceeded 85% occupancy for the past three years; and last year only 6.4% of its patient days originated from this service area.

4. The proposal's relationship to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, should be assessed and considered.

The applicant does intend to take involuntary admissions. It will provide short-term acute care (8.6 days ALOS) rather than long-term care.

5. The degree of projected financial participation in the Medicare and TennCare programs should be considered.

The applicant will contract with all area TennCare MCO's as well as Medicare. However, few Medicare-age will be accepted, due to the availability of established geropsychiatric programs distributed across the service area at three accessible hospitals.

It should be noted that the only hospital program in Columbia itself, with "adult" behavioral care beds, appears from its 2014 Joint Annual Report to not contract with any TennCare MCO's or any Medicaid program. Its reimbursement that year came almost entirely from Medicare, indicating its commitment to serving the geriatric, non-Medicaid patient population.

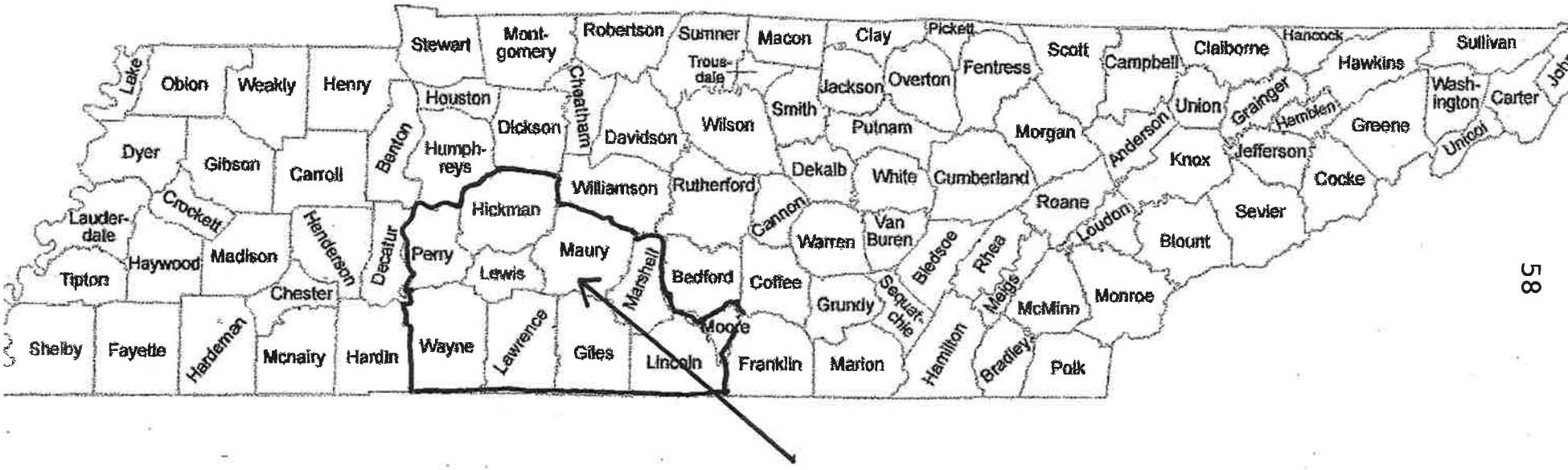
(APPLICATION SECTION B "NEED" QUESTIONS CONTINUED)

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to previously approved projects of the applicant.

Two acute care providers have joined together to bring these needed services to this rural service area. Maury Regional Hospital operates three hospitals in this rural area, and is the area's healthcare resource for a wide range of services. Maury Regional's facilities need a local resource to which their Emergency Departments can transfer patients in need of acute behavioral care beyond purely medical care. At the same time, many of these patients have co-morbidities that require medical care as well as care for psychiatric and substance abuse problems. A dedicated behavioral health hospital operated in close coordination with Maury Regional Hospital and its physicians is an ideal improvement in local health care services. The hospital has been evaluating such an extension of its scope of services for two years, culminating in this project. Maury Regional Hospital's partnership with HCA brings to the project extensive operational experience in serving this particular group of patients, and major assistance with capital funding. The two parties, after first evaluating the feasibility of building managed inpatient behavioral care units within the main hospital, concluded that a freestanding facility close to the hospital would be preferable--due to the size of area demand and also to the opportunity to design the most efficient spaces for inpatient and outpatient programs of care.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.

The service area map is provided after this page, and in Attachment Section B-Need-3. The project service area consists of ten counties: Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, and Wayne. Together they form a wedge-shaped service area south and southeast of Nashville and Franklin, extending from Maury County south to the Alabama state line. This area is based on (a) service area cities' accessibility to Columbia; (b) Maury Regional Hospital's historic leadership in providing continuous improvements in acute care in this rural region, (c) and the significant demand for this type of care--as evidenced by conservative State planning methodologies and by strong outmigration to behavioral health providers one to in the greater Nashville urban area.



PRIMARY SERVICE AREA
TRISTAR MAURY REGIONAL BEHAVIORAL HEALTHCARE

3. (Continued) Please complete the following tables, if applicable:

Primary Service Area Counties	Estimated CY2015 Cases Age 13-64 in TN Acute Psychiatric Units	% of Total Admissions That Were Reported to THA
Giles	102	9.7%
Hickman	152	14.4%
Lawrence	146	13.9%
Lewis	27	2.6%
Lincoln	105	10.0%
Marshall	99	9.4%
Maury	353	33.5%
Moore	5	0.5%
Perry	29	2.8%
Wayne	36	3.4%
Totals	1,054	100.0%

Source: THA Database.
Note: This includes only the 1,054 cases reported to the THA by age group; three other hospitals admitted an estimated 995 additional service area cases, whose origin by county can not be accurately determined from their JAR's.

Primary Service Area Counties	Projected Admissions To The Project in CY2020 (Year Two) Alphabetic By County	% of Total Admissions
Giles	172	9.4%
Hickman	168	9.2%
Lawrence	254	13.9%
Lewis	75	4.1%
Lincoln	206	11.2%
Marshall	207	11.3%
Maury	549	30.0%
Moore	41	2.3%
Perry	47	2.5%
Wayne	111	6.1%
Totals	1830	100.0%

Source: Admissions projected in proportion to counties' percentages of the target population.

4A(1). Describe the demographics of the population to be served by the proposal.

As indicated by Table B-Need-4A(2) on the following page, the project's primary service area population of 300,636 will increase 3.2% to 310,326 persons between CY2016 and CY2020. This is a slightly slower growth rate than the 4.3% State average projected for that period. The project's target population (ages 13-69) will be adolescent and adults other than geriatric adults. It is estimated in 2016 at 217,732 persons; and it is projected to increase 1.5% by CY2020, to a total of 221,097 persons--at which time it will constitute 71.2% of the total service area population. The median age of residents of the 10-county primary service area is 40.9 years, older than the 38.0 median age Statewide. These counties' median household income is 13% below the State's--$38,634 compared to $44,621. The area has a higher poverty rate than the State average--18.1% compared to 17.8%--and a higher percentage of TennCare enrollees--23.2% compared to 22.8% Statewide.

4A(2). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data:

http://www.tn.gov/health/article/statistics-population

TennCare Enrollment Data:

http://www.tn.gov/tenncare/topic/enrollment-data

Census Bureau Fact Finder:

http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Please see table B-Need-4A(2) on the following page, whose data was compiled from the sources listed above.

4B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The applicant will serve all of the groups listed above, except the elderly over the age of 69, without discrimination on the basis of age, gender, race, ethnicity, or source of insurance. This service area is a significant group of counties, within which live almost a quarter-million adolescents and non-geriatric adults without reasonable access to acute inpatient mental healthcare programs. More than two thousand residents of this service area of all ages drive long distances to mental healthcare programs in Davidson and Williamson Counties, for lack of local resources for any but geriatric adults. (Additional patients may be using such programs in Alabama, although data quantifying that outmigration is not available from Alabama hospitals). This project seeks to provide needed resources for the majority of these persons, closer to their homes.

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

Table B-Need(5) on the following page shows the past three years' utilization of the four geropsychiatric programs operated by rural hospitals in the service area. They do not offer inpatient care for adolescents or for any significant number of non-geriatric adults. They are 10-to16-bed units in very small hospitals, with individual occupancies ranging between 5.6% and 74.2% over the past three reporting years (2012-2014). Their 2015 Joint Annual Reports are not yet available from TDOH. Their 2014 Joint Annual Reports indicated a group average occupancy of 56.1%. Of the four hospitals, only Lincoln Medical Center in Fayetteville has increased its geropsychiatric utilization since 2012.

Table B-Need-4A(2): TriStar Maury Regional Behavioral Healthcare
Demographic Characteristics of Primary Service Area--Ages 13-69
2016-2020

	Department of Health / Health Statistics							Bureau of the Census				TennCare	
Primary Service Area Counties	Current Total Population 2016	Projected Total Population 2020	Total Population % Change 2016 - 2020	Current Target* Population Age 13-69 2016	Projected Target* Population Age 13-69 2020	Projected Target* Population % Change 2016 - 2020	Projected Target* Population As % of Projected Total Population 2020	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	Current TennCare Enrollees	TennCare Enrollees as % of Total County or Zip Code Population
Giles	29,743	29,817	0.2%	21,430	20,999	-2.0%	70.4%	42.1	$38,739	5,294	17.8%	6,778	22.8%
Hickman	26,351	27,363	3.8%	19,711	20,179	2.4%	73.7%	40.0	$38,032	4,954	18.8%	6,558	24.9%
Lawrence	43,164	43,849	1.6%	30,393	30,645	0.8%	69.9%	39.7	$37,371	8,374	19.4%	11,382	26.4%
Lewis	12,752	13,072	2.5%	9,144	9,183	0.4%	70.2%	41.2	$36,114	2,525	19.8%	3,139	24.6%
Lincoln	34,695	35,469	2.2%	24,725	24,958	0.9%	70.4%	41.8	$41,328	5,655	16.3%	8,030	23.1%
Marshall	33,105	34,648	4.7%	24,342	25,023	2.8%	72.2%	38.9	$41,822	5,131	15.5%	7,289	22.0%
Maury	88,337	92,944	5.2%	64,129	66,150	3.2%	71.2%	38.4	$46,565	14,222	16.1%	19,750	22.4%
Moore	6,795	7,056	3.8%	4,880	5,001	2.5%	70.9%	43.3	$43,393	836	12.3%	889	13.1%
Perry	8,266	8,466	2.4%	5,796	5,760	-0.6%	68.0%	43.1	$31,750	1,967	23.8%	2,208	26.7%
Wayne	17,428	17,642	1.2%	13,182	13,199	0.1%	74.8%	40.9	$31,225	3,712	21.3%	3,586	20.6%
Service Area Total	300,636	310,326	3.2%	217,732	221,097	1.5%	71.2%	40.9	$38,634	54,445	18.1%	69,609	23.2%
State of TN Total	6,812,005	7,108,031	4.3%	4,990,563	5,104,476	2.3%	71.8%	38.0	$44,621	1,212,537	17.8%	1,553,725	22.8%

Sources: TDOH Population Projections, 2015; U.S. Census QuickFacts; TennCare Bureau.
Service area data is either total, or average, as appropriate.

Table B-Need-5: TriStar Maury Regional Behavioral Healthcare
Acute Behavioral Care Bed Utilization in Primary Service Area
2012-2014

2012 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Bed Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	277	3,633	13.1	10	71.1%
	Lincoln Medical Center	Lincoln	10	161	2,369	14.7	6	64.9%
	Perry Community Hospital	Perry	14	243	2,709	11.1	7	53.0%
	THM-Tennessee Health Management	Maury	16	246	3,212	13.1	9	55.0%
	SERVICE AREA TOTALS		**54**	**927**	**11,923**	**12.9**	**33**	**60.5%**

2013 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	212	2,725	12.9	7	53.3%
	Lincoln Medical Center	Lincoln	10	130	2,171	16.7	6	59.5%
	Perry Community Hospital	Perry	14	236	2,618	11.1	7	51.2%
	THM-Tennessee Health Management	Maury	16	281	3,476	12.4	10	59.5%
	SERVICE AREA TOTALS		**38**	**859**	**10,990**	**12.8**	**30**	**79.2%**

2014 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	181	2,470	13.6	7	48.3%
	Lincoln Medical Center	Lincoln	10	184	2,709	14.7	7	74.2%
	Perry Community Hospital	Perry	14	194	2,278	11.7	6	44.6%
	THM-Tennessee Health Management	Maury	16	32	326	10.2	1	5.6%
	SERVICE AREA TOTALS		**38**	**591**	**7,783**	**13.2**	**21**	**56.1%**

Source: Joint Annual Reports of Hospitals

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Table B-Need-6: Utilization Projection--Patients Ages 13-64 TriStar Maury Regional Behavioral Healthcare									
THE SERVICE AREA									
					Yr 1	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
Calendar Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Current PSA Patients*	2,049								
Projected Ann. Change	--				--	+1.5%	+1.5%	+1.5%	+1.5%
Projected PSA Patients*	--				2,254**	2,288	2,322	2,357	2,392
THE PROJECT									
Market Share					60%	80%	82%	84%	86%
Admissions					***1,352***	***1,830***	1,904	1,980	2,057
Length of Stay (Days)					***8.6***	***8.6***	8.6	8.6	8.6
Patient Days					***11,630***	***15,739***	16,375	17,026	17,693
Capacity (21,900 days)					***21,900***	***21,900***	21,900	21,900	21,900
Occupancy					***53.1%***	***71.9%***	74.8%	77.7%	80.8%

**Estimate from combination of THA database and estimatedd 13-64 age patients at three other hospitals that do not report to the THA database.*
*** CY2019 projected at 10% increase over CY2015*

The two providers who are partnering in this project are HCA, one of Middle Tennessee's largest providers of inpatient acute mental healthcare, and Maury Regional Hospital, the largest hospital in Middle Tennessee west of Davidson County. They bring to the project the twin benefits of operational experience and deep familiarity with local needs.

In projecting utilization for this project, HCA identified service area patients ages 13-64 who in CY2015 were admitted to Tennessee hospitals that report data to the THA. The approximate number of these was 1,054 patients. Some additional patients from the southern part of this service area probably out-migrated to mental healthcare providers in nearby North Alabama, but specific Alabama data on this is not available. A large number of patients also were admitted to three Tennessee hospitals that do not participate in the THA database system: Middle Tennessee Mental Health Institute, Rolling Hills Hospital, and the Behavioral Healthcare Center at Columbia. Those agencies' most recent 2014 Joint Annual Reports indicated that they admitted more than 1,000 service area residents; but gaps in the format or reponses to their JAR's do not definitively indicate the number of age 13-64 patients that the two largest programs served from this project's 10-county service area.

The applicant made the assumption that for ages 13-64, a close estimate of admissions from this service area in 2015 would be 2,049 patients--the sum of the 1,054 THA-documented patients plus an estimated 995 additional patients served in the three non-THA hospitals and in Alabama,

Then with increasing national awareness of the growing need to expand inpatient behavioral care resources, the applicant projected a minimum 10% increase in area patients ages 13-64, between CY2015 and CY2019. Thereafter the applicant projected a minimum *annual* increase of 1.5% through Year Five (CY2023) of this project. The 8.6-day overall average length of stay reflects the current experience of HCA's Nashville-based behavioral health programs for adolescents and adults.

For the proposed facility, the applicant projected that its adult and adolescent programs will attract a 60% share of the market demand (ages 13-64) in Year One, increasing incrementally to 86% market share in Year Five. Utilization is projected to increase steadily from 53.1% in the startup year (CY2019) to 80.8% in Year Five (CY2023). This is realistic, given the size of the market demand, and the fact that the projection is conservative in not including additional admissions that from counties outside the primary service area. The reputation of Maury Regional Hospital and HCA medical staffs and hospital programs in Middle Tennessee are expected to attract rapid utilization increases, once the facility opens in CY2018.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

A. All projects should have a project cost of at least $15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

B. The cost of any lease, The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

The Square Footage Chart has been completed and is provided as page 17 of this application. Its total construction cost matches line A.5 of the Project Cost Chart that follows this page.

E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

1) A general description of the project;

2) An estimate of the cost to construct the project; and

3) A description of the status of the site's suitability for the proposed project;

4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

See Attachment Section B-Economic Feasibility-1E.

PROJECT COST CHART-- TRISTA MAURY REGIONAL BEHAVIORAL HEALTHCARE

A.	Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	7% of A5	$ 1,001,000
2.	Legal, Administrative, Consultant Fees (Excl CON Filing Fee)		75,000
3.	Acquisition of Site		850,000
4.	Preparation of Site		1,960,000
5.	Total Construction Cost		14,300,000
6.	Contingency Fund	10% of A5	1,430,000
7.	Fixed Equipment (Not included in Construction Contract)		638,000
8.	Moveable Equipment (List all equipment over $50,000 as separate attachment)		1,098,250
9.	Other (Specify) Information Technology Systems and Misc		2,000,000
B.	Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)		
2.	Building only		
3.	Land only		
4.	Equipment (Specify)		
5.	Other (Specify)		
C.	Financing Costs and Fees:		
1.	Interim Financing		586,181
2.	Underwriting Costs		
3.	Reserve for One Year's Debt Service		
4.	Other (Specify)		
D.	Estimated Project Cost (A+B+C)		23,938,431
E.	CON Filing Fee		95,000
F.	Total Estimated Project Cost (D+E)	**TOTAL $**	24,033,431
		Actual Capital Cost	24,033,431
		Section B FMV	0

2. **Identify the funding sources for this project.**

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

__ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan,

and any restrictions or conditions;

__ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

__ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;

__ D. Grants – Notification of intent form for grant application or notice of grant award;

_x_ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or

__ F. Other – Identify and document funding from all other sources.

See Attachment Section B-Economic Feasibility-2 for documentation of financing. The project will be financed / funded by cash contributions from the two partnering entities, in proportion to their ownership in the applicant LLC. Maury Regional Medical Center will provide 49% of the project cost; HCA will provide 51% of the project cost.

3. **Complete Historical Data Charts on the following pages—Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices.Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Not applicable to a proposed new facility.

4. **Complete Projected Data Charts on the following pages – *Do not modify the Charts provided or submit Chart substitutions!***

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Please see the Projected Data Chart attached after this page.

PROJECTED DATA CHART — MAURY PSYCHIATRIC HOSPITAL

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

			Year 2019	Year 2020
A.	Utilization Data	Discharges	1,352	1,830
	(Specify unit or measure)	Bed Days	11,630	15,739
B.	Revenue from Services to Patients			
	1. Inpatient Services		$ 46,925,000	$ 60,831,000
	2. Outpatient Services		2,870,000	5,264,000
	3. Emergency Services			
	4. Other Operating Revenue			
	(Specify) See notes page			
		Gross Operating Revenue	$ 49,795,000	$ 66,095,000
C.	Deductions from Gross Operating Revenue			
	1. Contractual Adjustments		$ 36,301,000	$ 49,032,000
	2. Provision for Charity Care		1,159,000	1,502,500
	3. Provisions for Bad Debt		1,159,000	1,502,500
		Total Deductions	$ 38,619,000	$ 52,037,000
NET OPERATING REVENUE			$ 11,176,000	$ 14,058,000
D.	Operating Expenses			
	1. Salaries and Wages			
	a. Clinical		$ 5,998,000	6,742,000
	b. Non-Clinical		666,000	750,000
	2. Physicians Salaries and Wages			
	3. Supplies		871,000	843,000
	4. Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates			
	5. Management Fees			
	a. Paid to Affiliates		447,040	562,320
	b. Paid to Non-Affiliates			
	6. Other Operating Expenses	See notes page	1,976,000	2,076,000
		Total Operating Expenses	$ 9,958,040	$ 10,973,320
E.	**Earnings Before Interest, Taxes, and Depreciation**		$ 1,217,960	$ 3,084,680
F.	Non-Operating Expenses			
	1. Taxes		$ 281,000	$ 1,058,000
	2. Depreciation		950,000	950,000
	3. Interest			
	4. Other Non-Operating Expenses			
		Total Non-Operating Expenses	$ 1,231,000	$ 2,008,000
NET INCOME (LOSS)			$ (13,040)	$ 1,076,680

Chart Continues Onto Next Page

SUPPLEMENTAL #1

Year 2019 October 28, 2016 2:44 pm

NET INCOME (LOSS)	$ (13,040)	$ 1,076,680
G. Other Deductions		
1. Annual Principal Debt Repayment	$	$
2. Annual Capital Expenditure		
Total Other Deductions	$ 0	$ 0
NET BALANCE	$ (13,040)	$ 1,076,680
DEPRECIATION	$ 950,000	950,000
FREE CASH FLOW (Net Balance + Depreciation)	$ 936,960	$ 2,026,680

X **TOTAL FACILITY**

X **PROJECT ONLY**

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2019	Year 2020
1. Professional Services Contract	$ 238,000	238,000
2. Contract Services	447,000	562,000
3. Repairs & Maintenance	60,000	60,000
4. Utilities	275,000	275,000
5. Insurance	309,000	379,000
6. Other	647,000	562,000
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14		
15.		
Total Other Expenses	$ 1,976,000	$ 2,076,000

5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Average Gross Charge (Gross Operating Revenue/Utilization Data	N/A	N/A	$4,282/day $36,831/stay	$4,199/day $36,117/stay	N/A
Average Deduction from Revenue (Total Deductions/Utilization Data)	N/A	N/A	$3,321/day $28,564/stay	$3,306/day $28,436/stay	N/A
Average Net Charge (Net Operating Revenue/Utilization Data)	N/A	N/A	$961/day $8,266/stay	$893/day $7,682/stay	N/A

Note: Average Gross Charge includes inpatients and outpatients. Variances due to rounding of entries to nearest dollar in Projected Data Chart from which the data is taken.

B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

The project is for a new hospital, licensed independently of existing hospitals. Therefore its charges and revenues will not impact existing patient charges at any existing hospital. The proposed charges are provided in the comparison of charges in the question immediately below.

C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Net revenue is gross revenue minus contractual adjustments, bad debt, and charity, and other deductions. Net revenue per patient day is what consumers actually pay. In the table below, for consistent comparison, the applicant used total (inpatient and outpatient) gross revenue and inpatient day data from the Joint Annual Reports and the Projected Data Chart of this application. The Columbia project will be similar to the net total gross revenues per patient day experienced at two psychiatric hospitals in Williamson and Rutherford Counties. However, the two comparison hospitals' charge data is four years before this project's CY2019 estimate.

Charge Comparison						
Hospital	Year	Days	Gr Revenue	Net Revenue	GR/Day	Net Rev/Day
Rolling Hills	2014	24,666	$42,462,512	$19,803,284	$1,721	$803
Trustpoint	2014	21,095	$39,859,504	$19,146,104	$1,890	$908
This Project	2019 (Yr 1)	11,630	$49,795,000	$11,176,000	$4,282	$961

6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

As shown in the Projected Data Chart, the hospital is expected to reach a positive cash flow its first year of operation and thereafter. Financial viability as calculated by the HSDA chart indicates a positive operating margin in Year Two, which will continue as census increases. The financial strength of the two owning organizations--HCA Holdings, Inc. and Maury Regional Hospital-- are shown in their financial statements provided in Attachment Section B-Economic Feasibility-6A, which document that these organizations have sufficient financial resources to support the hospital in its startup months, until viability is achieved.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.

Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A.

B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	N/A	N/A	N/A	10.9%	21.94%

C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1		
Payor Source	**Projected Gross Operating Revenue**	**As a Percent of Total Revenue**
Medicare/Medicare Managed Care	$20,764,515	41.7%
TennCare/Medicaid	$12,448,750	25.0%
Commercial/Other Managed Care	$12,747,520	25.6%
Self-Pay	$1,244,875	2.5%
Charity Care	$1,244,875	2.5%
Other	$1,344,465	2.7%
Total	$49,795,000	100.0%

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

Please see Table C-Economic Feasibility-8 on the following page. The Medical Director's qualifications are documented in the Attachment "Miscellaneous". He will be interim Medical Director for the project during project development and staff recruitment. A permanent Medical Director has not been named at this time.

Table C-Economic Feasibility-8: TriStar Maury Regional Behavioral Healthcare Projected Staffing--Revised on First Supplemental Responses				
Position Classification	**Existing FTEs (N/A)**	**Projected FTEs (Yr 1)**	**Estimated Mean Hourly Wage (Contractual Rate)**	**Areawide Hourly Mean For The MSA That Includes Maury County**
A. Direct Patient Care Positions				
Chief Nursing Officer (CNO)		1.00	$59	$40.15 (NP)
Nurse Manager		2.00	$39	40.15 (NP)
Nurse Supervisor		2.00	$32	$28.50
Nurse		26.74	$27	$28.50
Mental Health Technician		12.60	$13	$18.60
Activity Therapist		2.80	$24	Est $21.20
Social Worker		5.60	$26	$11.60-$30.39
Total Direct Patient Care Positions		**52.74**		
B. Non-Patient Care Positions				
CEO		1.00	$85	$79.40
CFO		1.00	$75	$0.80
Pharmacy		4.20	$37	$57.80
Dietary		8.40	$16	$14.60
Unit Secretary		3.00	$15	$15.75
Administrative Assistant		2.00	$24	$22.80
Case Management/Utilization Review		4.20	$26	$17.90
Plant Operations		3.00	$25	$19.85
Security		4.20	$14	$13.65
Environmental Services		8.40	$17	$17.10
Total Non-Patient Care Positions		**39.40**		
Total Employees (A + B)		**30.00**		
C. Contractual Staff				
Psychiatrist, Medical Directors*		1.00	$140	Not Available
Total Contractual Staff		**1.00**		
Total Staff (A+B+C)		**93.14**		

Source: Tennessee Dept of Labor and Workforce Development. Used MSA that includes Davidson, Rutherford and Maury Cos.
**Note: Will be more than one Medical Director, the 1.0 FTE is cumulative.*

9. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:

A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

The most obvious rejected alternative was to not establish inpatient behavioral health services for the area's many adolescents and adults who are either going without needed behavioral healthcare, or are obtaining it with difficulty by out-migrating to programs at out-of-area hospitals much farther from their homes and support groups. This was rejected because the missions of Maury Regional Hospital and HCA are to provide appropriate, high quality, locally accessible acute care services to all residents of their service areas. This is a service line that has not yet been offered in the service area; and it is now timely to do so in partnership with the area's largest and best-known acute care provider.

The next alternative that was considered was development of inpatient units and outpatient programs within the existing campus and buildings of Maury Regional. This was rejected due to large space requirements, internal disruption factors during renovations, and the difficulties of integrating such a large group of behavioral health patients into the general patient population.

The third alternative explored was to acquire and convert a local nursing home facility; but this was rejected after in-depth exploration of conversion costs and limitations of the older building and its site.

The chosen alternative was to establish a partnership that would provide advantages in local experience and trust, expertise in treating behavioral patients of these ages, and strong capital funding resources. This is the basis of the partnership between these two well-known provider organizations, and their proposed establishment of this jointly developed and jointly operated free-standing behavioral health hospital.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

The applicant and the applicant's Medical Director will work closely with Maury Regional Hospital physicians to ensure that the medical needs of prospective and current mental health patients are being appropriately addressed in a timely fashion, so that optimal behavioral care can be delivered. The facility will have access to the clinical and operational expertise of HCA's corporate Behavioral Health Services Group, which manages numerous hospitals of this type across the country. The facility will have a transfer agreement with Maury Regional Hospital, a copy of which is provided in the Miscellaneous Attachment to the application.

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

The project will greatly benefit service area consumers. It will provide needed, high quality inpatient behavioral healthcare that is not available in the area currently. It will eliminate the need for service area residents to drive long distances into Davidson, Williamson, and Rutherford Counties for this care. It will extend the continuum of behavioral health care services available locally, by serving more age groups and by offering both inpatient and outpatient mental healthcare to a large rural population that is underserved at the present time.

B. Negative Effects

Because there are no adolescent and non-geriatric adult programs in the service area (despite licenses that are legally available to any adults), the project will not have any adverse impact on any facility in the service area. It will not compete significantly with local hospital-

based geropsychiatric units, because it will serve only adolescents and adults ages 13-69. The only Mental Health Hospital license in the area is for the 16-bed unit at THM in Columbia. In 2014 it reported only 326 days of care, which is a 5.6% occupancy. More significant for this project is that it reported admitting only 3 adults ages 18-64, whose utilization constituted 0.4% (less than a half percent) of its overall utilization. It reported no adolescent admissions. So again, this proposed project for patients ages 13-69 would not reduce that small unit's last reported utilization.

The project may have some temporary negative impact on acute behavioral healthcare providers far outside the service area, by retaining more than a thousand area patients who are currently forced to drive long distances outside the area for this type of care. But the applicant foresees strong growth in demand for this type of inpatient services both nationally and in Middle Tennessee, particularly because of population growth in the Nashville urban area where these existing providers are located. Therefore the applicant anticipates that the negative effects of this project on utilization of those providers will be only temporary. In fact, HCA providers in Nashville will be the first to be negatively impacted--because HCA facilities there are currently the second largest provider of these services to the area's out-migrating residents. Nonetheless, HCA believes that improved local accessibility is a high priority for service area patients; and HCA is supportive of partnering with Maury Regional to enable treatment of these patients closer to their homes and families.

3.A Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.

As established providers of acute inpatient care services, the applicant's owners (Maury Regional and HCA) are well aware of the staffing requirements of the Joint Commission and the State of Tennessee licensing agencies. The applicant does not anticipate being able to recruit all of the projected positions incrementally as the facility opens and builds its census.

B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations

concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

The applicant so verifies.

C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

This is a proposed new facility without any established training rotations with health professions programs.

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: **Mental Health Hospital**
By Department of Mental Health and Developmental Disabilities

Certification Types: **Medicare (Mental Health Hospital)**
by the US Department of Health and Human Services

TennCare
By Tennessee Medicaid

Accreditation: **Acute Behavioral Healthcare Hospital**
by The Joint Commission

A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

Not applicable to a proposed new facility.

B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

Not applicable to a proposed new facility.

C. Document and explain inspections within the past three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23- ore 90-day termination proceedings from Medicare or Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.
(1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Not applicable to a proposed new facility.

5. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:

Maury Regional Hospital Responses:

A. Has any of the following:
(1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
(2) Any entity in which any person(s) or entity with more than 5% ownership (direct of indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
(3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than5%...

B. Been subjected to any of the following:
(1) Final Order or Judgment in a State licensure action;

No.

(2) Criminal fines in cases involving a Federal or State health care offense;

No.

(3) Civil monetary penalties in cases involving a Federal or State health care offense;

No.

(4) Administrative monetary penalties in cases involving a Federal or State health care offense;

No.

(5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or

No. However, in 2012, Maury Regional Medical Center and Wayne Medical Center (wholly owned DBA's of Maury Regional Hospital) voluntarily disclosed an EMS billing issue and repaid overpayments to the Federal government due to the billing issue. In addition, in 2014, Maury Regional Medical Center settled a qui tam lawsuit with a former employee who claimed physician documentation was substandard in a specific department of the hospital. The government declined to intervene in this case.

(6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;

No.

(7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;

No.

(8) Is presently subject to a corporate integrity agreement.

No.

HCA Responses:

This will be submitted under separate cover, for insertion into Attachment Section B-Orderly Development-4 & 5.

Attachment B-Orderly Development 4-5.

HCA Response

5. **Respond to all of the following and for such occurrences, identify, explain and provide documentation:**

The applicant has made a good faith effort to respond to this question regarding the entities identified in Attachment Section A-4A to the best of its knowledge, information and belief. Due to the breadth of the question and a lack of definition of key terms, the applicant cannot represent these responses are totally comprehensive, but no responsive information is intentionally being withheld. Due to the length of time some of these entities have existed and the fact no period of time is stated in the question, we considered 5 years as a reasonable look-back period.

A. Has any of the following:

1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

2) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

B. Been subjected to any of the following:

1) Final Order or Judgment in a state licensure action;

TriStar Maury Behavioral Health, LLC is a new entity, and is not yet licensed. None of the other entities in Attachment Section A-4A hold state licensure.

2) Criminal fines in cases involving a Federal or State health care offense;

No.

3) Civil monetary penalties in cases involving a Federal or State health care offense;

Neither TriStar Maury Behavioral Health, LLC (the applicant) or Maury County Behavioral Health, LLC (the sole member of the applicant and the management company) has been involved in civil litigation whereby a judgment or settlement was entered into, or a Civil Monetary Penalty was paid. We are not aware that any of the entities upstream from those entities as reflected in Attachment Section A-4A have been involved in civil litigation whereby a judgment or settlement was entered into resulting in the payment of a Civil Monetary Penalty.

4) **Administrative monetary penalties in cases involving a Federal or State health care offense;**

Neither TriStar Maury Behavioral Health, LLC (the applicant) or Maury County Behavioral Health, LLC (the sole member of the applicant and the management company) has been involved in civil litigation whereby a judgment or settlement was entered into, or an Administrative Monetary Penalty was paid. We are not aware that any of the entities upstream from those entities as reflected in Attachment Section A-4A have been involved in civil litigation whereby a judgment or settlement was entered into resulting in the payment of an Administrative Monetary Penalty.

5) **Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or**

Please see the response to (3) and (4) above.

6) **Suspension or termination of participation in Medicare or Medicaid/TennCare programs.**

TriStar Maury Behavioral Health, LLC is not yet certified for Medicare or Medicaid participation and has not been suspended or terminated from such programs. The other entities in Attachment Section A-4A are not certified for Medicaid or Medicare participation, and have not been suspended or terminated from such programs.

7) **Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.**

Certain of the entities listed in Attachment Section A-4A may have been subject to an investigation, regulatory action or party to a civil action (broadly interpreting "civil action"). However, neither TriStar Maury Behavioral Health, LLC (the applicant) or Maury County Behavioral Health, LLC (the sole member of the applicant and the management company) have been subject to an investigation, regulatory action or party to a civil action. None of the entities in Attachment Section A-4A have been the subject of a criminal action.

8) **Is presently subject to a corporate integrity agreement.**

No.

6. Outstanding Projects:

a. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
b. Provide a brief description of the current progress, and status of each applicable outstanding CON.

Outstanding Projects					
			Annual Progress Report*		
CON Number	Project Name	Date Approved	Due Date	Date Filed	Expiration Date
MAURY REGIONAL HOSPITAL					
CN 1505-017	5th Floor CCU	8-26-2015	8-26-2016	7-11-2016	10-1-2018
Status: scheduled to be completed in early November 2016					
HCA AFFILIATED HOSPITALS					
CN					
Status:					
CN					
Status:					
CN					
Status:					

* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

7. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.

a. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

Yes, for Maury Regional Hospital dba Maury Regional Medical Center.

b. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?

Yes.

c. If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?

Yes.

Facility	Date of HSDA Registration	Date of Last Utilization Submittal
Maury Regional Hospital dba Maury Regional Medical Center--Mobile PET		

QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.

The applicant so verifies. The applicant's partnering owners, HCA and Maury Regional Hospital (one of whose dba entities is Maury Regional Hospital), have strong commitments to maintaining and improving quality of care in the services they offer. This commitment extends well beyond compliance with Licensure and Joint Commission accreditation requirements in their facilities.

Maury Regional Hospital

1. Awards & Recognitions

Maury Regional

- Top Health System–Truven Health Analytics (2011, 2012 & 2015)
- Leapfrog "A" Hospital Safety Score (2012, 2014, 2015 & 2016—quarterly now)
- Top home care agency in nation by HomeCareElite (10 years)
- Excellence Award–Tennessee Center for Performance Excellence (2014)
- QUEST: High Performing Hospitals Top Performer (2010, 2011, 2012, 2013 & 2014)
- 100 Top Hospital–Truven Health Analytics (1993, 2008, 2010 & 2013)
- Top Performer on Key Quality Measures–Joint Commission (2013)
- 100 Great Community Hospitals–Becker's Hospital Review (2013)
- 100 Hospitals with Great Orthopedic Programs–Becker's Hospital Review (2013)
- EMS honored with Star of Life Award (2009, 2011 & 2013)
- Best Practice Recognition–Strategic Planning & Workforce–Baldrige Performance Excellence Program (2012)
- 50 Top Cardiovascular Hospital (2012)

2. Accreditation, Certifications & Designations

The facilities of Maury Regional Medical Center, Marshall Medical Center and Wayne Medical Center (all owned by Maury Regional Hospital) are all accredited by The Joint Commission, an independent, not-for-profit organization. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. Additional accreditations, certifications, and designations are as follows:

Maury Regional Hospital

- Advanced Inpatient Diabetes Certification, The Joint Commission
- Advanced Certification for Total Hip and Total Knee Replacement, The Joint Commission
- American Academy of Sleep Medicine
- American Association of Blood Banks
- American Association of Cardiovascular and Pulmonary Rehabilitation
- Breast Imaging Center of Excellence by the American College of Radiology
- Breast MRI Accreditation, American College of Radiology
- Chest Pain Center with PCI Accreditation, Society of Cardiovascular Patient Care
- College of American Pathologists
- Commission on Cancer of the American College of Surgeons
- CT Accreditation, American College of Radiology
- Heart Failure Certification, The Joint Commission
- National Accreditation Program for Breast Centers, American College of Surgeons
- Nuclear Medicine Accreditation, American College of Radiology
- Planetree Designated® Patient-Centered Hospital
- MRI Accreditation, American College of Radiology
- Radiation Oncology Practice Accreditation Program, American College of Radiology
- Sepsis Certification, The Joint Commission
- Ultrasound Accreditation, American College of Radiology

Marshall Medical Center

- College of American Pathologists
- CT Accreditation, American College of Radiology
- Mammography Accreditation, American College of Radiology
- MRI Accreditation, American College of Radiology
- Nuclear Medicine Accreditation, American College of Radiology

Wayne Medical Center

- Laboratory Accreditation, The Joint Commission
- CT Accreditation, American College of Radiology
- Mammography Accreditation, American College of Radiology
- MRI Accreditation, American College of Radiology

Lewis Health Center

- Ambulatory Care Accreditation, The Joint Commission
- Federally Qualified Health Center Designation, Health Resources and Services Administration
- MRI Accreditation, American College of Radiology
- Primary Care Medical Home-Ambulatory Care Certification, The Joint Commission

Spring Hill Surgery Center

- Ambulatory Healthcare Accreditation, The Joint Commission (Spring Hill Surgery Center)

3. 2017 CareChex Award Summary (Evaluation against 4,200 member hospitals)

#1 in the State

Medical Excellence:
- Overall Hospital Care
- Gallbladder Removal
- Gastrointestinal Care
- Heart Failure Treatment
- Joint Replacement
- Orthopedic Care
- Pneumonia Care
- Pulmonary Care

Patient Safety:
- Gastrointestinal Care
- General Surgery

Top 100 in the Nation

Medical Excellence:
- Overall Hospital Care
- Overall Medical Care
- Overall Surgical Care
- Gallbladder Removal
- Gastrointestinal Care
- General Surgery
- Heart Failure Treatment
- Joint Replacement
- Orthopedic Care
- Pneumonia Care
- Pulmonary Care

Patient Safety:
- Overall Hospital Care
- Overall Surgical Care
- Gallbladder Removal
- Gastrointestinal Care
- General Surgery
- Major Bowel Procedure
- Major Orthopedic Surgery

Top 10% in the Nation

Medical Excellence:
- Overall Hospital Care
- Overall Medical Care
- Overall Surgical Care
- Cardiac Care
- Gallbladder Removal

- Gastrointestinal Care
- Gastrointestinal Hemorrhage
- General Surgery
- Heart Failure Treatment
- Joint Replacement
- Major Bowel Procedures
- Neurological Care
- Orthopedic Care
- Pneumonia Care
- Pulmonary Care

Patient Safety:

- Overall Hospital Care
- Overall Surgical Care
- Gallbladder Removal
- Gastrointestinal Care
- General Surgery
- Joint Replacement
- Major Bowel Procedures
- Major Orthopedic Surgery
- Pneumonia Care
- Pulmonary Care

#1 in the Market

Medical Excellence:

- Overall Hospital Care
- Overall Medical Care
- Cardiac Care
- Gallbladder Removal
- Gastrointestinal Care
- General Surgery
- Heart Failure Treatment
- Joint Replacement
- Neurological Care
- Orthopedic Care
- Pneumonia Care
- Pulmonary Care

Patient Safety:

- Gastrointestinal Care
- General Surgery

Wayne Medical

- Top Performer Recognition from The Joint Commission (2015)

HCA Behavioral Health Services

This section of HCA is a national leader in behavioral health services, operating 62 behavioral health programs in 17 States--72% of whose patients are adolescents and adults, which are the focus of this CON application for Columbia. HCA is ranked as the nation's third largest provider of behavioral health services. Its hospitals are all accredited. HCA Behavioral Health Services is doing cutting-edge research and development in several major areas of behavioral healthcare, including the following:

- Development of new evidence-based care measures for behavioral health services;
- Development of telepsychiatry to improve the speed, cost, and quality of patient evaluations in hospital Emergency Departments and other settings;
- Improved Integration of behavioral health services with medical care processes in hospitals. An estimated 29% of adults with medical conditions also have mental health conditions; and an estimated 68% of adults with mental health conditions also have medical conditions. Assessment and management of patients in hospital Emergency Departments and in mental health hospitals must take both types of care into account. The integration and coordination of clinical and behavioral care that will be offered in this proposed Columbia project will provide experience that will be useful in many communities across the nation.

Attention to quality of care in its behavioral health programs has led to superior achievements in several aspects of this type of care. With respect to HBIPS Core Measures used internally, HCA facilities in CY2014 (most recent available data) have demonstrated:

- one-tenth of the national average for physical restraint of patients (.03/1000 compared to 0.32/1,000 nationally).
- less than one-tenth of the national average for imposition of patient seclusion (.04/1,000 vs. 0.51/1,000 nationally);
- Significantly higher rate (c. 85% vs. c. 55%) of appropriate use of multiple antipsychotic medications when needed.
- Much less frequent need for multiple antipsychotic medications at discharge;
- A higher rate of post-discharge continuing care planning

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at http://www.tn.gov/health/topic/health-planning). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

The project will improve the health of service area residents. It will provide locally accessible inpatient and outpatient behavioral health programs, for persons not now receiving such care because of unwillingness or inability to drive long distances to large Middle Tennessee cities whose providers do offer such care.

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.

Improved accessibility for service area residents will be one of the most significant positive effects of this proposed facility.

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

This project represents an optimal development concept, with two experienced and well-regarded acute care organizations partnering to provide the type of care that is needed, at a location where they can access it more efficiently from the consumer's perspective.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

The acute care organizations that are proposing this facility are recognized for their attention to quality of care. Please see the "Quality Measures" responses in this application, immediately preceding this Section C.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

One of the advantages of HCA's participation in this project is its current emphasis on recruitment of psychiatrists and other mental health professionals into the communities it serves. The high qualifications of this project's initial Medical Director, Dr. Rodney A. Poling, are documented in the Miscellaneous Attachments to the application.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

See Attachment C-5-Proof of Publication., for hard copy of the published notice. A newspaper copy will be submitted under separate cover.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction) Note that T.C.A. §68-11-1607(c)(3) states that "…Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

Not applicable.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

   The Chart has been completed.

2. **If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph,* please state below any request for an extended schedule and document the "good cause" for such an extension.**

   Not applicable. The applicant expects to complete the project within the three-year period of validity for a hospital project.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	2-22-17
1. Architectural & engineering contract signed	38	4-1-17
2. Construction documents approved by TDH	98	6-1-17
3. Construction contract signed	112	6-15-17
4. Building permit secured	127	6-30-17
5. Site preparation completed	187	8-30-17
6. Building construction commenced	188	9-1-17
7. Construction 40% complete	308	1-1-18
8. Construction 80% complete	428	5-1-18
9. Construction 100% complete	548	9-1-18
10. * Issuance of license	577	9-30-18
11. *Initiation of service	578	10-1-18
12. Final architectural certification of payment	683	1-15-19
13. Final Project Report Form (HF0055)	743	3-15-19

*** For projects that DO NOT involve construction or renovation: please complete items 11-12 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INSERT AFFIDAVIT

INDEX OF ATTACHMENTS

Section A

A-3A(1)	Detailed Project Description
A-4A	Legal Status and Ownership Structure of the Project Entities
A-5	Draft Management Contract
A-6A	Site Control Documentation
A-6B(1)a-d	Plot Plan of Project Site
A-6B(2)	Facility Floor Plan

Section B

B-Need-3	1. Service Area Map 2. Site Location Map
B-Economic Feasibility-1E	Documentation of Construction Cost Estimate
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Applicant's Financial Statements
B-Orderly Development-4& 5	Descriptions of Penalties or Sanctions Incurred
C-5	Proof of Publication
Miscellaneous Attachments	1. Medical Director Qualifications 2. TennCare Enrollment 3. Census QuickFacts--Service Area 4. Medically Underserved Parts of the Project Service Area 5. Draft Transfer Agreement 6. Letters of Support

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A-3A(1)
Detailed Project Description

A-3A(1): Detailed Project Description

1. Location of the Project

The project site is a 5.25-acre level tract on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike. It is northwest of downtown Columbia. A location map is provided in Attachment A-6B(1)a-d. The applicant has an option to purchase the site, a copy of which is in Attachment A-6A below.

2. Site and Facility Design

TriStar Maury Regional Behavioral Healthcare is currently planned as a 52,000 gross square foot, one-story building. It will face North James Campbell Boulevard, with ample surface parking in front of the building for staff and visitors. A circulatory drive will surround the building. On the front of the building will be a main entrance and entrance for outpatients. An ambulance entrance will be on the north side; a dock and service entrance will be on the south side. The back of the building will open to four fenced outdoor activity yards, bordered by a fire lane and a retaining wall at the edge of the site.

Within the main entrance will be a reception and waiting area, bordered by the admissions area on one side, and on the other side by two outpatient therapy rooms, one for adults and one for adolescents. Beyond these spaces, also at the front of the building, are spaces for administrative services, dietary preparation, a dining room, a pharmacy, and other support spaces.

The patient care areas will be divided into two wings, one for adults and one for adolescents. The facility's 60 licensed beds will be assigned and distributed as shown below.

Bed and Room Assignments and Distribution				
Sub-Unit Name	**Total Beds**	**Private Beds/Rooms**	**Semiprivate Beds**	**Semiprivate Rooms**
Adult 1	30	2	28	14
Adult 1A	12	0	12	6
Adolescent 2	8	0	8	4
Adolescent 2A	10	2	8	4
Totals	60	4	56	28

The adolescent and adult beds are separated into two wings. Each wing has the following clinical and support areas:

Clinical Program and Staff Spaces	
Type of Space	**Number of Spaces**
Nurses Station	1
Group Therapy	2
Noisy Activity	2
Quiet Activity	2
Exterior Activity Yard	3
Seclusion Room	1
Lab / Exam Room	1
Comfort Room	4
Consultation Room	2
Treatment Planning	1
Staff Office	2
Staff Lounge	1

3. Hours of Operation, Licensure, Certification and Accreditation

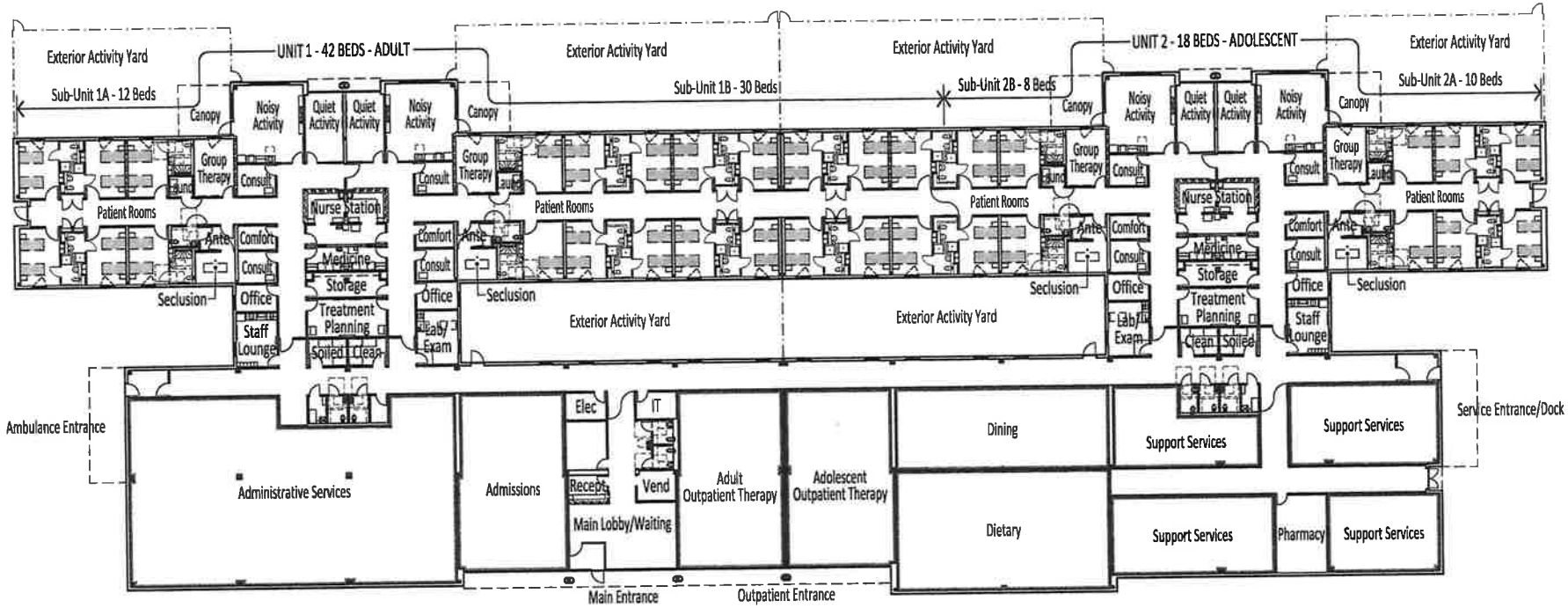
The facility will operate 24 hours daily throughout the year. It will seek licensure as a 60-bed hospital, from the Tennessee Department of Mental Health and Developmental Disabilties. It will seek contracts with all area MCO's and will seek certification by both Medicare and Medicaid.

4. Floor Plan of the Proposed Hospital

Please see the following page.

5. Representative Program Descriptions

These begin on the second following page.



GROSS BUILDING AREA = 52,000 SF

COMPOSITE FLOOR PLAN

NORTH

GRAPHIC SCALE

0' 25' 50' 100'

NEW BEHAVIORAL HEALTH HOSPITAL
TriStar Maury Regional Behavioral Health - Columbia, Tennessee
October 11, 2016

Sample / Partial Program Description: Dual Treatment Program (DTP)

Goal

- The Dual Treatment Program (DTP) is designed to provide a treatment program that meets the physical, psychological, education, and social needs of individuals who have a major mental illness and evidence or history of addiction or substance abuse.

Scope

- The program focuses on the provision of the following essential services:
  - Comprehensive assessment and treatment planning
  - Psychiatric and medical care
  - Crisis stabilization and intensive treatment
  - ADL care/maintenance
  - Patient/Family education
  - Community resources referral
  - Discharge planning

Department Description

- The DTP unit will provide inpatient treatment to patients 18 years of age or older who seek treatment for acute psychiatric symptoms which cannot be safely and adequately addressed on an outpatient basis, and who demonstrate evidence or history of addiction or substance abuse. Common disorders of patients treated in this program include, but are not limited to: major depressive disorder, schizoaffective disorder, schizophrenia, bipolar disorder, adjustment disorder, post-traumatic stress disorder, and a variety of co-morbid character pathologies. Patients receive a pre-admission evaluation by an assessment specialist, and upon admission are assessed by psychiatry and nursing. Additionally, a psychosocial assessment will be conducted by a social worker and/or adjunctive therapist. All psychosocial assessments are reviewed by the patient's assigned social worker. History and physical examinations are completed per departmental policy. Assessment by other services may be conducted as warranted by the patient's status. Recovery planning teams, composed of multidisciplinary staff members from core mental health disciplines of psychiatry, clinical nurse leaders, nursing, case management, social services, and adjunctive therapies formulate interdisciplinary plans of care and discharge plans. Recovery and discharge plans are customized to address the needs of the patient, with input from the patient and/or their family/significant other. Involvement of other disciplines in the recovery and discharge planning process (ex. pharmacy, psychology, dietary, substance abuse counselor) will be requested on identified patient need. Periodic reviews of the recovery plan are conducted to assess the patient's progress toward identified goals, and to evaluate the potential need for modification of the plan. Plans may include a variety of modalities offered by the program such as:
  - Group psychotherapy
  - Social skills groups

- Psycho-educational groups
- Exercise/fitness group
- Expressive therapy
- Relaxation therapy
- Music therapy
- Patient/family education
- ECT
- Psychopharmacology

The scope of services available includes:

- All adult patients admitted to the facility will participate in the Treatment Mall program that can functionally participate.

- Treatment modalities are identified and implemented by each patient's recovery planning team.

- Specialty tracks include groups focusing on: Thought disorder, mood disorder, chemical addiction, trauma, grief, depression, and anxiety.

  Interventions provided by a multidisciplinary staffing design for the Treatment Mall Program utilizes staff members from social work, adjunctive therapies, nursing, clinical pharmacy, chemical dependency counselors, psychologist, chaplain, and care coordinators.

- Patients continue with medication and supervision from nursing staff as they participate in the Treatment Mall Program.

Program Provided

- The Treatment Mall Program operates seven days a week from 9:30 a.m. – 2:30 p.m. Groups are scheduled at 4 specific time periods with multiple tracks at each scheduled group time. Group offerings are adjusted due to census. Groups are lead and co-facilitated by a variety of disciplines that must have the education and level of licensure or certification required by their job description and professional requirements.

- Program services are provided by registered nurses, mental health counselors, and mental health assistants, unit assistants, utilization managers (RN or MSW), LMSW's, or LCSW's, or Licensed LPC and adjunctive therapists.

- Visitation Hours are daily from 6:15 – 7:15 PM.

Mechanisms Used to Identify Needs

- Needs of the patient population served by the program are identified on an ongoing basis by the experiences and observations of staff, results of outcome measures, patient/family feedback and physician input.

- Staff educational needs are determined at least annually, as part of a department needs assessment. Special educational programs are initiated in response to staff requests, acquisition of new technologies, changes in requirements of accrediting and regulatory agencies, results of patient/ family satisfaction surveys and management observation. Individualized educational opportunities are also provided at the request of staff members and/or the immediate supervisor.

Performance Improvement Program

- DTP participates in unit-specific, departmental, and hospital-wide performance improvement activities. The Quality Improvement Program is designed to provide a planned, systemic approach to process design, performance measurement, assessment, and improvement. The Quality improvement activities of the program are under the direction of the Nurse Manager. Results of the program's Quality improvement activities are reported to the Department of Psychiatry on a semiannual basis. Hospital-wide indicators are reported to the Department of Quality Management quarterly for assimilation into overall Behavioral Health summary report findings Hospital-wide indicators include pain management, medication safety, falls, hand hygiene, and utilization of restraint and seclusion.

- Department Specific Monitors

  - Falls monitoring
  - Home medication reconciliation monitoring
  - Hand hygiene monitoring
  - Critical lab documentation monitoring
  - Utensil Safety

Patient Safety Initiatives

- Violence protocol
- Falls monitoring
- Home medication reconciliation monitoring
- Hand hygiene monitoring
- Critical lab documentation monitoring

Admission Criteria

- The patient will be 18 years or older.

- The patient seeks admission on a voluntary basis or has a surrogate decision maker who has the legal authority to consent for the patient to receive treatment, or the patient meets commitment criteria set forth in TCA33-6-404.

- The patient must carry a primary psychiatric Axis I DSM-IV-TR diagnosis.
- The patient must present with acute exacerbation of treatable symptoms which are responsive to short-term intervention.
- Alternatives to inpatient care are inappropriate or unavailable, and the patient's safety cannot be managed in an outpatient setting.
- The patient requires continuous nursing care and/or observation.
- Medication initiation or adjustment under observation is required to enable the patient to be managed in a less restrictive environment.
- Patients who present with issues related to medical and/or surgical care needs will be reviewed with the Nurse Manager, the Manager's designee or the nursing supervisor and, if indicated, the Clinical Director and/or assigned internist prior to acceptance for admission.
- Patients who present with issues related to mental retardation care needs must be reviewed with the Nurse Manager, the Manager's designee or the nursing supervisor and, if indicated, the Clinical Director and/or assigned internist prior to acceptance for admission.

Exclusion Criteria

- The patient has an acute primary medical or surgical problem requiring active treatment in a medical facility.
- The patient has medical needs which require specialized clinical competencies not core to hospital staff and which cannot be readily and continuously accessed in the Medical Center.
- The patient is at the point of delirium tremens (DTs) or has a blood alcohol level (BAL) greater than .40.
- The patient has active tuberculosis and requires rule-out evaluation for tuberculosis.
- The patient manifests behaviors precluding their ability to be safely managed in the care environment (ex. excessive violence, history of hospitalizations in forensics units, history of elopement attempts requiring security levels exceeding those of this facility, history of assaultive behavior toward hospital staff will be viewed on a case by case evaluation, etc.).
- Issues related to medical and/or surgical care needs must be reviewed with the Nurse Manager, the Manager's designee, or the Administrative Supervisor and, if indicated, the Clinical Director and/or assigned internist prior to acceptance for admission.
- The patient has chronic behavioral symptoms for which assessment/treatment in an acute

setting is not likely to produce significant clinical improvement.

- The patient with mental retardation needs requiring specialized clinical competencies not core to hospital staff. Issues related to mental retardation care needs must be reviewed with the Nurse Manager, the Manager's designee or the Nursing supervisor and, if indicated, the Clinical Director and/or assigned internist prior to acceptance for admission. Patients for admission will be assessed for adaptive behavior. To assess adaptive behavior, professionals compare the functional abilities of an individual to those of other individuals of similar age. Certain skills are important to adaptive behavior such as daily living, communication, social skills and IQ. Mental retardation with IQ scores less than 50 and classed as moderate, severe, and profound mental retardation are excluded., These classes are based on Standard Scores of intelligence tests, reflect the categories of the American Association of Mental Retardation, the Diagnostic and Statistical Manual of Mental Disorders-IV-TR, and the International Classification of Diseases (ICD-9-CM)

Transfer Criteria

- The patient is expected to be able to participate in, and benefit from, the program activities.
- Assessment subsequent to the initial admission assessment indicates that the patient's needs may be more adequately addressed by another program such as the Dual Diagnosis Program, or Adult Treatment program.

Discharge Criteria

- The Recovery team will make every effort to ensure discharge from treatment is a joint decision between the patient, the psychiatrist, and the other members of the Recovery team, taking into consideration current assessment of the patient's status, progress, response to treatment, attainment of treatment goals, strengths, weaknesses, prognosis, support systems, and the safety of the patient and others. The following typically signifies attainment of maximum benefit of inpatient treatment:
  - Improvement of symptoms and/or behavioral problems with associated improvement in social, familial, and/or educational functioning.
  - Reduced risk of exacerbation of symptoms which precipitated admission.
  - Goals established for treatment have been substantially met.
  - Structural clinical support and observation are no longer required.
  - Establishment of a support system in the community and arrangement of necessary follow-up plans.

- Patients may request discharge at any time. Patients requesting discharge before maximum benefit from treatment has been reached, will be allowed to terminate treatment unless they meet the criteria set forth in hospital policies and procedures. A physician's order for discharge is required. The following policies detail steps to be taken when a patient requests termination of treatment:

    - "Patient Request for Discharge" (Department-specific policy)
    - "Patient Request for Discharge Resulting in Commitment Proceedings" (Department-specific policy)
    - "Discharge Against Medical Advice" (Hospital policy)

- Patient's whose medical needs override their psychiatric needs may be discharged to a medical/surgical unit before maximum benefit from their psychiatric treatment has been reached. Patients discharged to a unit at a medical hospital will be referred for liaison services from the mental health hospital's community assistance program.

Department Governance

- The Nurse Manager assumes twenty-four hour accountability for the coordination and operation of the program including the supervision of all nursing personnel. Major responsibilities include personnel management (hiring, termination, counseling, evaluation, consultation, and staff development), quality management, problem solving, and communication with patients, visitors, physicians, staff, and other members of the health care team. In conjunction with the Staffing Coordinator and/or supervisor, the Nurse Manager ensures adequate staffing coverage based on patient needs. He/she works with other hospital departments to ensure sufficient resources for patient care are available on a continuous basis. The nurse manager also develops and revises policies and procedures as appropriate, and participates in departmental and hospital-wide committees and teams as requested.

- The Nurse Manager reports to the Director of Nursing, who is accountable to the Administrator and the Chief Nursing Officer of the hospital. A board certified psychiatrist who is a member of the medical staff provides clinical direction.

- An Assistant Nurse Manager or Charge Nurse is scheduled on each shift. They are responsible for staff assignments, problem solving, communication, and clinical management for the assigned shift. They report to the Nurse Manager or to the Nursing Supervisor.

- A Clinical Nurse Leader is assumes twenty four hours/seven days a week accountability. They are responsible for the coordination and direct patient care of nursing care. They report to the Lead Clinical Nurse Leader or to the Director of Nursing.

- After hours and on weekends, the Nursing Supervisor acts in lieu of the Nurse Manager and functions as the administrative representative of the hospital in consultation with the Administrator-On-Call.

Staffing

- Competency

  All staff members who function under federal, state, and/or local requirements for licensure, registration, or certification are required to produce annual documentation of having met such requirements. All staff members have current CPR certification, and are trained annually in non-violent crisis intervention. All staff members will receive department and unit-specific orientations at the time of their employment which includes demonstration and documentation of core competencies. Reassessments of safety, infection control, hazardous materials, seclusion/restraint, patient rights, age appropriate care, and department-specific core competencies are conducted annually. Clinical in-service education is provided for all staff, and is a requirement of their employment per hospital policy and procedure.

- Plan

  Treatment is delivered employing a multidisciplinary team model. Within this framework, nursing care is delivered using a modified team approach.

  Staffing of nursing personnel is based upon census, acuity, care needs of the patients, and program/unit activities with a minimal of 3 staff per physical unit at all times.

Sample / Partial Program Description: Dual Treatment Program (DTP)

Goal

- The Adult Treatment Program (ATP) is designed to provide inpatient psychiatric treatment to voluntary and involuntary adult patients ages 18 or older employing a multidisciplinary team approach. The program provides services to patients who are at risk for harm to self or others.

Scope

- The program focuses on the provision of the following essential services:
  - Comprehensive assessment and treatment planning
  - Psychiatric and medical care
  - Crisis stabilization and intensive treatment
  - ADL care/maintenance
  - Patient/Family education
  - Community resources referral
  - Discharge planning

Department Description

- The ATP is a three unit program specializing in the care and treatment of adult patients acutely mentally ill as well as those individuals in an acute phase of a chronic mental illness. Common disorders of patients treated in this program include, but are not limited to, schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorders, and personality disorders. Patients receive a pre-admission evaluation by an assessment specialist, and upon admission are assessed by psychiatry and nursing. Additionally, a psychosocial assessment will be conducted by a social worker and/or adjunctive therapist. All psychosocial assessments are reviewed by the patient's assigned social worker. History and physical examinations are completed per departmental policy. Assessment by other services may be conducted as warranted by the patient's status. Recovery planning teams, composed of multidisciplinary staff members from core mental health disciplines of psychiatry, clinical nurse leaders, nursing, case management, social services, and adjunctive therapies formulate interdisciplinary plans of care and discharge plans. Recovery and discharge plans are customized to address the needs of the patient, with input from the patient and/or their family/significant other. Involvement of other disciplines in the recovery and discharge planning process (ex. pharmacy, psychology, dietary, substance abuse counselor) will be requested on identified patient need. Periodic reviews of the recovery plan are conducted to assess the patient's progress toward identified goals, and to evaluate the potential need for modification of the plan. Plans may include a variety of modalities offered by the program such as:
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Admission Criteria

- The patient will be 18 years or older.

- The patient seeks admission on a voluntary basis or has a surrogate decision maker who has the legal authority to consent for the patient to receive treatment, or the patient meets commitment criteria set forth in TCA33-6-404.

- The patient must carry a primary psychiatric Axis I DSM-IV-TR diagnosis.
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- The Nurse Manager reports to the Director of Nursing, who is accountable to the Administrator and the Chief Nursing Officer of the hospital. A board certified psychiatrist who is a member of the medical staff provides clinical direction.

- An Assistant Nurse Manager or Charge Nurse is scheduled on each shift. They are responsible for staff assignments, problem solving, communication, and clinical management for the assigned shift. They report to the Nurse Manager or to the Nursing Supervisor.

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- After hours and on weekends, the Nursing Supervisor acts in lieu of the Program Coordinator and functions as the administrative representative of the hospital in consultation with the Administrator-On-Call.

Staffing

- Competency

  All staff members who function under federal, state, and/or local requirements for licensure, registration, or certification are required to produce annual documentation of having met such requirements. All staff members have current CPR certification, and are trained annually in non-violent crisis intervention. All staff members will receive department and unit-specific orientations at the time of their employment which includes demonstration and documentation of core competencies. Reassessments of safety, infection control, hazardous materials, seclusion/restraint, patient rights, age appropriate care, and department-specific core competencies are conducted annually. Clinical in-service education is provided for all staff, and is a requirement of their employment per hospital policy and procedure.

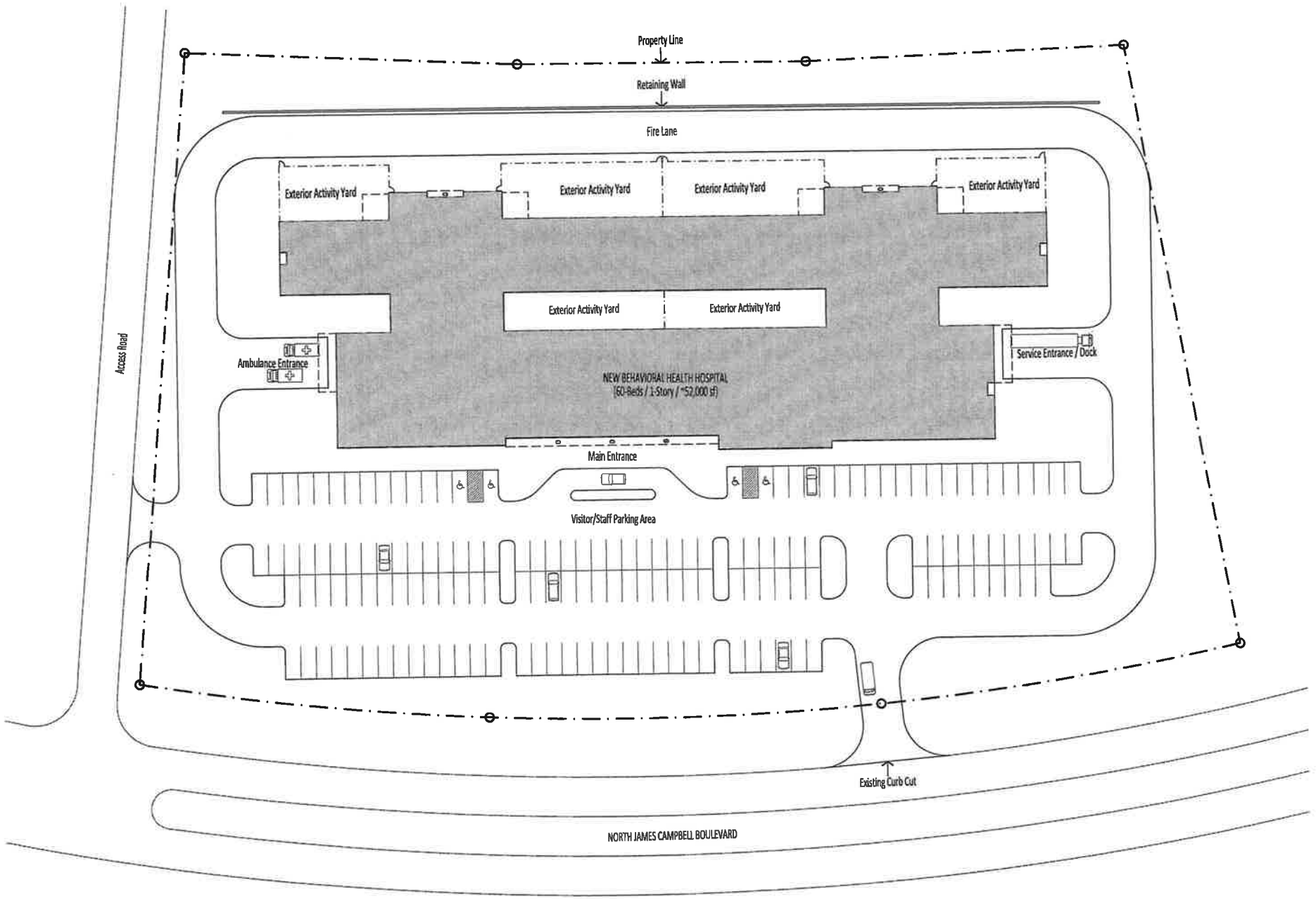
- Plan

  Treatment is delivered employing a multidisciplinary team model. Within this framework, nursing care is delivered using a modified team approach.

  Staffing of nursing personnel is based upon census, acuity, care needs of the patients, and program/unit activities with a minimal of 3 staff per physical unit at all times.

A-6B(1)a-d

Plot Plan



GROSS SITE AREA = 5.25 ACRES

SITE PLAN

NORTH

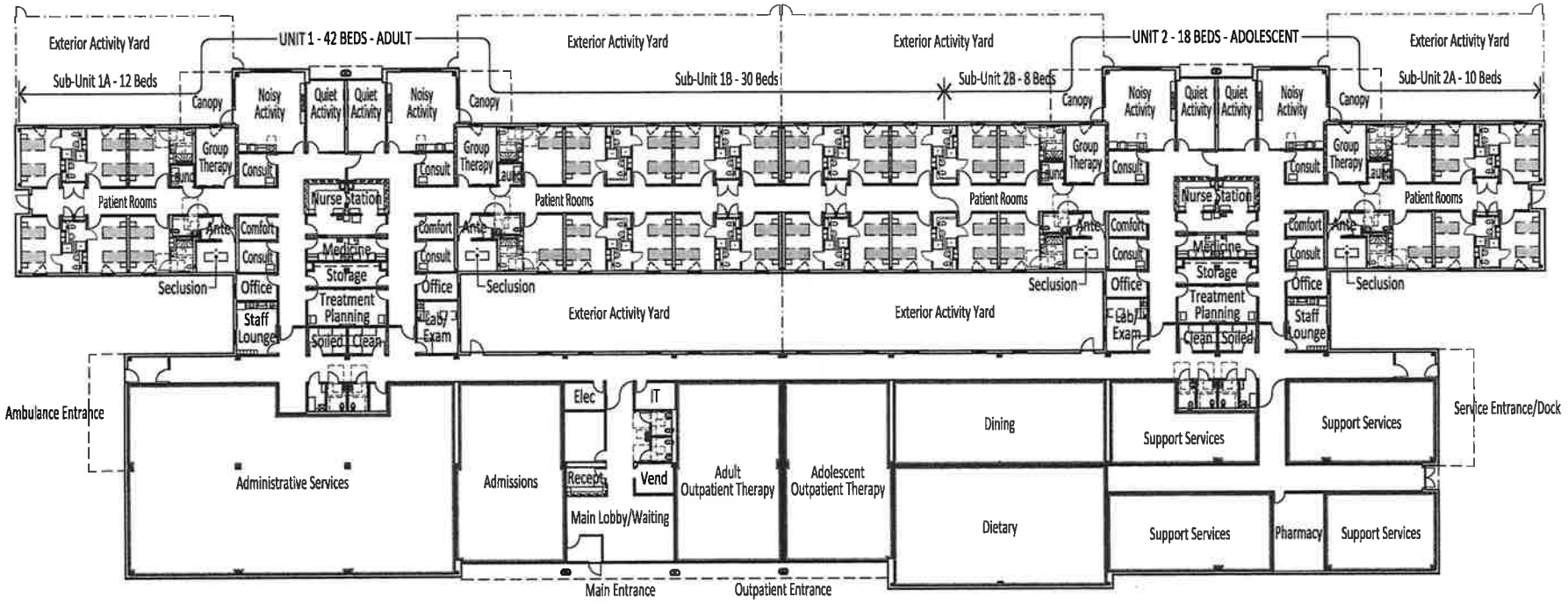
GRAPHIC SCALE

0' 40' 80' 160'

NEW BEHAVIORAL HEALTH HOSPITAL
TriStar Maury Regional Behavioral Health - Columbia, Tennessee
October 11, 2016

A-6B(2)

Floor Plans



GROSS BUILDING AREA = 52,000 SF

COMPOSITE FLOOR PLAN

NORTH

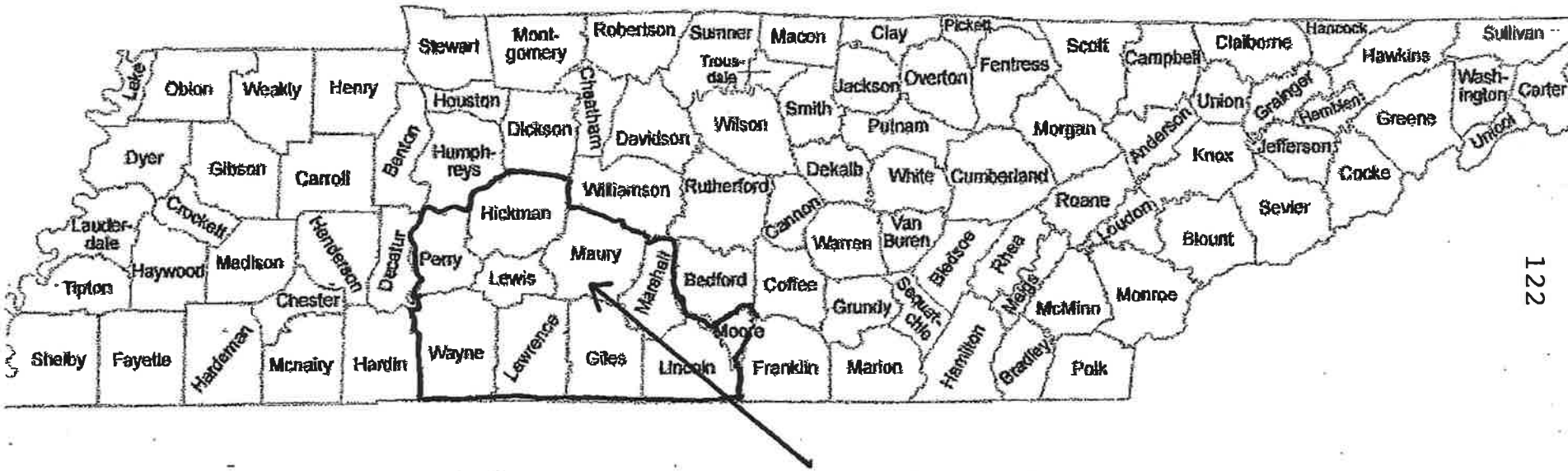
GRAPHIC SCALE

0' 25' 50' 100'

NEW BEHAVIORAL HEALTH HOSPITAL
TriStar Maury Regional Behavioral Health - Columbia, Tennessee
October 11, 2016

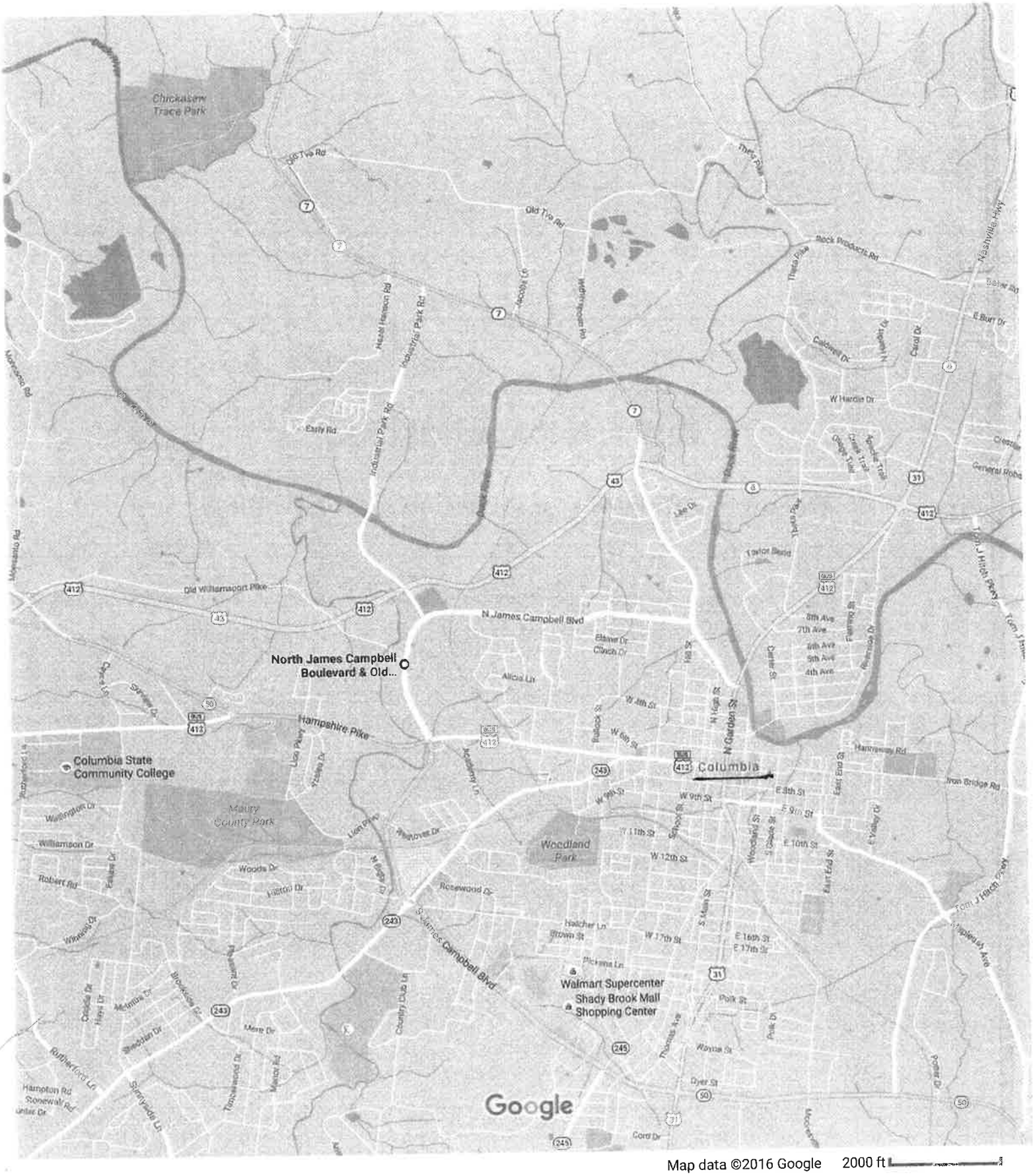
B-Need-3

Service Area Map



PRIMARY SERVICE AREA
TRISTAR MAURY REGIONAL BEHAVIORAL HEALTHCARE

Google Maps



Map data ©2016 Google 2000 ft

B-Economic Feasibility-1E

Documentation of Construction Cost Estimate

David Tropauer
Vice President
HCA Behavioral Health Services
One Park Plaza
Nashville, TN 37203

RE: Attestation of Construction Cost
New Behavioral Health Hospital
TriStar Maury Regional Behavioral Health
Columbia, Tennessee

11 October 2016

David,

Per recent conversations with you regarding a Certificate of Need Submission for a New Behavioral Health Hospital for TriStar Maury Behavioral Health in Columbia, Tennessee, I have prepared the following supporting documentation for your review.

I have reviewed the construction cost estimate provided by Tristar Maury Behavioral Health, LLC in the CON Submission for this Project. Based on my experience and knowledge of the current health care market, it is my opinion that the projected construction cost of $14,300,000 appears to be reasonable for a project of this type and size.

Additionally, the proposed site on North James Campbell Boulevard southeast of the intersection with Old Williamsport Pike in Columbia, Tennessee appears to be appropriate for construction of the proposed facility.

Finally, the physical environment will conform to applicable federal standard, manufacturer's specifications, and licensing agencies' requirements including the FGI Guidelines for Design and Construction of Health Care Facilities in current use by the licensing authorities.

If you have any questions or comments regarding this information, please do not hesitate to contact me at your convenience.

Thank you.

Bradford P. Stengel, AIA
Tennessee Registered Architect No. #000102 523

B-Economic Feasibility--2

Documentation of Funding/Financing Availability

MAURY REGIONAL
MEDICAL CENTER

October 7, 2016

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Dear Mrs. Hill:

Maury Regional Medical Center is participating with HCA in developing a jointly owned Mental Health Hospital in Maury County. Maury Regional is a 49% member of the LLC that is filing the Certificate of Need application for that facility. The estimated cost of the project is approximately $24,308,500. Maury Regional is funding 49% of that, or approximately $12,000,000.

As Chief Financial Officer of Maury Regional Medical Center, I am writing to confirm that we have sufficient operating cash flow and cash reserves to provide all of the required funds in cash, and intend to do so after receipt of CON approval.

The application includes our financial statements documenting that sufficient cash reserves, operating income, and lines of credit exist to fund this project.

Sincerely,

Nick A. Swift
SVP/Chief Financial Officer

October 12, 2016

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

RE: CON Application for TriStar Maury Regional Behavioral Healthcare
Columbia, Maury County

Dear Mrs. Hill:

TriStar Maury Behavioral Healthcare, LLC is applying for a Certificate of Need to develop a 60-bed mental health hospital in Columbia. Through a wholly-owned subsidiary, Maury County Behavioral Health, LLC, HCA currently is the sole owner of the LLC filing the application. However, the application contemplates that an affiliate of Maury Regional Hospital (a public nonprofit entity) will acquire 49% membership interest in the applicant LLC in the near future. HCA and Maury Regional have planned this as a joint venture over the past two years.

The estimated project cost is $24,033,041. As the prospective 51% owner of the applicant LLC, HCA's share of this cost will be $12,256,851.

As Chief Financial Officer of TriStar Health, the HCA Division Office for Middle Tennessee, I am writing to confirm that HCA, Inc. will provide through TriStar Health the $12,256,851 in funding required to implement HCA's future share of the project cost. HCA, Inc.'s financial statements are provided in the application.

Sincerely,

Eric Lawson, CFO
Tristar Health

B-Economic Feasibility-6A

Applicant's Financial Statements

MAURY REGIONAL HOSPITAL

Annual Financial Report

June 30, 2015

PYA
Certified Public Accountants

MAURY REGIONAL HOSPITAL

Combined Statements of Net Position

	June 30, 2015		June 30, 2014 (Restated)	
	Maury Regional Hospital	*Discretely Presented Component Units*	*Maury Regional Hospital*	*Discretely Presented Component Units*
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**$ 37,900,703**	**$ 339,945**	$ 37,077,128	$ 428,549
Certificates of deposit	**322,164**	**-**	320,251	-
Investments	**1,532,267**	**-**	1,129,753	-
Patient accounts receivable, net of estimated allowance for doubtful accounts of approximately $24,500,000 in 2015 and $21,800,000 in 2014	**33,666,240**	**443,121**	30,728,755	368,202
Inventories	**4,781,254**	**10,378**	4,413,292	36,865
Prepaid expenses	**3,297,028**	**39,709**	3,251,369	45,962
Due (to) from affiliates	**555,192**	**(555,192)**	585,192	(585,192)
Other receivables	**1,794,952**	**1,001**	1,131,981	2,089
TOTAL CURRENT ASSETS	**83,849,800**	**278,962**	78,637,721	296,475
ASSETS LIMITED AS TO USE	**69,387,898**	**-**	38,793,535	-
EQUITY INTEREST IN JOINT VENTURES	**(99,446)**	**-**	80,124	-
PROPERTY, PLANT AND EQUIPMENT, net	**116,794,350**	**5,126,269**	117,585,335	5,796,004
OTHER ASSETS	**4,218,278**	**-**	3,597,888	-
TOTAL ASSETS	**274,150,880**	**5,405,231**	238,694,603	6,092,479
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	**614,779**	**-**	-	-
Deferred amounts from debt refunding	**221,073**	**-**	-	-
DEFERRED OUTFLOWS OF RESOURCES	**835,852**	**-**	-	-
COMBINED ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 274,986,732**	**$ 5,405,231**	$ 238,694,603	$ 6,092,479

See notes to combined financial statements.

MAURY REGIONAL HOSPITAL

Combined Statements of Net Position - Continued

	June 30, 2015		June 30, 2014 (Restated)	
	Maury Regional Hospital	*Discretely Presented Component Units*	*Maury Regional Hospital*	*Discretely Presented Component Units*
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Current portion of long-term debt	**$ 4,076,164**	**$ 1,010,067**	$ 3,005,939	$ 740,130
Accounts payable and accrued expenses	**10,038,115**	**469,539**	9,708,959	290,049
Accrued salaries and wages	**7,294,133**	**-**	7,022,034	-
Accrued compensated absences	**6,115,974**	**-**	5,581,195	-
Accrued workers' compensation	**2,049,013**	**-**	4,145,265	-
Estimated amounts due to third party payers, net	**5,998,390**	**-**	4,734,690	-
Interest payable	**82,427**	**-**	44,677	-
TOTAL CURRENT LIABILITIES	**35,654,216**	1,479,606	34,242,759	1,030,179
OTHER LONG-TERM LIABILITIES	**10,949,532**	**-**	8,088,541	-
LONG-TERM DEBT				
Bonds payable	**37,306,694**	**-**	12,017,892	-
Other long-term debt	**1,946,118**	5,223,371	6,772,553	5,762,366
	39,252,812	5,223,371	18,790,445	5,762,366
Less current portion	**(4,076,164)**	(1,010,067)	(3,005,939)	(740,130)
TOTAL LONG-TERM DEBT	**35,176,648**	4,213,304	15,784,506	5,022,236
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	**864,558**	**-**	1,188,985	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**864,558**	**-**	1,188,985	-
NET POSITION				
Net investment in capital assets	**96,702,069**	(97,102)	98,880,738	33,638
Unrestricted	**95,639,709**	(190,577)	80,509,074	6,426
TOTAL NET POSITION	**192,341,778**	(287,679)	179,389,812	40,064
COMBINED LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 274,986,732**	$ 5,405,231	$ 238,694,603	$ 6,092,479

See notes to combined financial statements.

MAURY REGIONAL HOSPITAL

Combined Statements of Revenue, Expenses and Changes in Net Position

	Year Ended June 30, 2015	
	Maury Regional Hospital	***Discretely Presented Component Units***
OPERATING REVENUE		
Net patient service revenue	$ 296,154,015	$ 4,557,230
Other operating revenue	11,412,522	1,230
TOTAL OPERATING REVENUE	307,566,537	4,558,460
OPERATING EXPENSES		
Salaries, employee benefits and contract labor	179,084,670	1,174,998
Supplies	52,940,319	123,924
Purchased services	20,879,750	1,020,599
Professional fees	3,136,365	1,243,838
Repairs and maintenance	3,836,064	28,758
Utilities	4,220,118	16,216
Leases	4,561,970	674,121
Insurance	2,066,108	6,595
Other expenses	8,774,768	161,780
Depreciation and amortization	16,880,780	680,993
TOTAL OPERATING EXPENSES	296,380,912	5,131,822
INCOME (LOSS) FROM OPERATIONS	11,185,625	(573,362)
NONOPERATING REVENUE (EXPENSES)		
Contributions and grants	1,917,901	-
Investment income	810,051	1
Interest expense	(444,286)	(254,382)
Other	(37,755)	-
Equity in joint venture losses	(479,570)	-
TOTAL NONOPERATING REVENUE (EXPENSES)	1,766,341	(254,381)
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	12,951,966	(827,743)
Capital contributions/funding	-	500,000
CHANGE IN NET POSITION	12,951,966	(327,743)
NET POSITION, BEGINNING OF YEAR	179,389,812	40,064
NET POSITION, END OF YEAR	$ 192,341,778	$ (287,679)

See notes to combined financial statements.

MAURY REGIONAL HOSPITAL

Combined Statements of Cash Flows

	Year Ended June 30,	
	2015	*2014 (Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from patients and insurance programs	**$ 296,419,251**	$ 283,422,880
Payments to vendors for supplies and other	**(100,499,927)**	(101,330,031)
Payments to and on behalf of employees	**(179,776,501)**	(167,108,455)
Other receipts	**9,856,998**	11,710,980
NET CASH PROVIDED BY OPERATING ACTIVITIES	**25,999,821**	26,695,374
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:		
Contributions and grants	**1,917,901**	1,163,994
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	**(15,621,477)**	(8,362,006)
Proceeds from sale of equipment	**63,411**	151,220
Proceeds from issuance of long-term debt	**34,186,582**	-
Payments on long-term debt	**(13,714,312)**	(5,024,391)
Interest paid on long-term debt	**(569,316)**	(791,436)
Deferred amounts from bond refunding	**(221,073)**	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	**4,123,815**	(14,026,613)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income received on cash and investments	**810,051**	1,022,764
Proceeds from maturities of certificates of deposit	**642,415**	638,022
Purchase of certificates of deposit	**(644,328)**	(640,502)
Purchases of investments and AWUL	**(30,996,877)**	(5,099,921)
Investment in joint venture	**(300,000)**	(393,020)
Issuance of notes receivable	**(729,223)**	(813,761)
NET CASH USED IN INVESTING ACTIVITIES	**(31,217,962)**	(5,286,418)
INCREASE IN CASH AND CASH EQUIVALENTS	**823,575**	8,546,337
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**37,077,128**	28,530,791
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 37,900,703**	$ 37,077,128

See notes to combined financial statements.

MAURY REGIONAL HOSPITAL

Combined Statements of Cash Flows - Continued

	Year Ended June 30, 2015	2014 (Restated)
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Income from operations	$ 11,185,625	$ 6,363,647
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation and amortization	16,880,780	16,969,349
Provision for bad debts	29,919,639	39,303,585
Amortization of deferred pension adjustments	(33,076)	(324,427)
Changes in:		
Patient accounts receivable	(32,857,124)	(37,203,018)
Inventories	(367,962)	525,253
Prepaid expenses	(45,659)	(419,480)
Due from affiliates	30,000	25,617
Other assets	(970,745)	(772,810)
Accounts payable and accrued expenses	329,156	2,273,036
Accrued salaries and wages	272,099	1,244,530
Accrued compensated absences	534,779	4,272
Accrued workers' compensation	(2,096,252)	265,608
Estimated amounts due to third party payers	1,263,700	(491,065)
Other long-term liabilities	1,954,861	(1,068,723)
TOTAL ADJUSTMENTS	14,814,196	20,331,727
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 25,999,821	$ 26,695,374
SUPPLEMENTAL INFORMATION:		
Equipment acquired through capital leases	$ 152,877	$ 4,747,956

See notes to combined financial statements.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-11239

HCA Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	27-3865930
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
One Park Plaza Nashville, Tennessee	37203
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (615) 344-9551

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 Par Value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 31, 2016, there were 396,958,400 outstanding shares of the Registrant's common stock. As of June 30, 2015, the aggregate market value of the common stock held by nonaffiliates was approximately $29.839 billion. For purposes of the foregoing calculation only, Hercules Holding II, LLC and the Registrant's directors and executive officers have been deemed to be affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy materials for its 2016 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

HCA HOLDINGS, INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Dollars in millions, except per share amounts)

	2015	2014	2013
Revenues before the provision for doubtful accounts	$ 43,591	$ 40,087	$ 38,040
Provision for doubtful accounts	3,913	3,169	3,858
Revenues	39,678	36,918	34,182
Salaries and benefits	18,115	16,641	15,646
Supplies	6,638	6,262	5,970
Other operating expenses	7,103	6,755	6,237
Electronic health record incentive income	(47)	(125)	(216)
Equity in earnings of affiliates	(46)	(43)	(29)
Depreciation and amortization	1,904	1,820	1,753
Interest expense	1,665	1,743	1,848
Losses (gains) on sales of facilities	5	(29)	10
Losses on retirement of debt	135	335	17
Legal claim costs	249	78	—
	35,721	33,437	31,236
Income before income taxes	3,957	3,481	2,946
Provision for income taxes	1,261	1,108	950
Net income	2,696	2,373	1,996
Net income attributable to noncontrolling interests	567	498	440
Net income attributable to HCA Holdings, Inc.	$ 2,129	$ 1,875	$ 1,556
Per share data:			
Basic earnings per share	$ 5.14	$ 4.30	$ 3.50
Diluted earnings per share	$ 4.99	$ 4.16	$ 3.37
Shares used in earnings per share calculations (in millions):			
Basic	414.193	435.668	445.066
Diluted	426.721	450.352	461.913

The accompanying notes are an integral part of the consolidated financial statements.

HCA HOLDINGS, INC.
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Dollars in millions)

	2015	2014	2013
Net income	$ 2,696	$ 2,373	$ 1,996
Other comprehensive income (loss) before taxes:			
Foreign currency translation	(63)	(74)	18
Unrealized gains (losses) on available-for-sale securities	1	9	(7)
Defined benefit plans	30	(158)	134
Pension costs included in salaries and benefits	32	21	38
	62	(137)	172
Change in fair value of derivative financial instruments	(36)	(36)	3
Interest costs included in interest expense	125	132	131
	89	96	134
Other comprehensive income (loss) before taxes	89	(106)	317
Income taxes (benefits) related to other comprehensive income items	31	(40)	117
Other comprehensive income (loss)	58	(66)	200
Comprehensive income	2,754	2,307	2,196
Comprehensive income attributable to noncontrolling interests	567	498	440
Comprehensive income attributable to HCA Holdings, Inc.	$ 2,187	$ 1,809	$ 1,756

The accompanying notes are an integral part of the consolidated financial statements.

HCA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Dollars in millions)

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 741	$ 566
Accounts receivable, less allowance for doubtful accounts of $5,326 and $5,011	5,889	5,694
Inventories	1,439	1,279
Deferred income taxes	—	366
Other	1,163	1,025
	9,232	8,930
Property and equipment, at cost:		
Land	1,524	1,524
Buildings	12,533	11,941
Equipment	19,335	18,496
Construction in progress	1,222	1,019
	34,614	32,980
Accumulated depreciation	(19,600)	(18,625)
	15,014	14,355
Investments of insurance subsidiaries	432	494
Investments in and advances to affiliates	178	165
Goodwill and other intangible assets	6,731	6,416
Other	1,157	620
	$ 32,744	$ 30,980
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,170	$ 2,035
Accrued salaries	1,233	1,370
Other accrued expenses	1,880	1,737
Long-term debt due within one year	233	338
	5,516	5,480
Long-term debt, less net debt issuance costs of $167 and $219	30,255	29,088
Professional liability risks	1,115	1,078
Income taxes and other liabilities	1,904	1,832
Stockholders' deficit:		
Common stock $0.01 par; authorized 1,800,000,000 shares; outstanding 398,738,700 shares — 2015 and 420,477,900 shares — 2014	4	4
Accumulated other comprehensive loss	(265)	(323)
Retained deficit	(7,338)	(7,575)
Stockholders' deficit attributable to HCA Holdings, Inc.	(7,599)	(7,894)
Noncontrolling interests	1,553	1,396
	(6,046)	(6,498)
	$ 32,744	$ 30,980

The accompanying notes are an integral part of the consolidated financial statements.

Proof of Publication

PUBLICATION OF INTENT--HEALTH SERVICES & DEVELOPMENT AGENCY

The following shall be published in the "Legal Notices" section of the newspaper, in a space no smaller than two (2) columns by two (2) inches:

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Maury Regional Behavioral Healthcare, (a proposed mental health hospital), to be owned by TriStar Maury Behavioral Healthcare, LLC (a limited liability company), and to be managed by Maury County Behavioral Health, LLC (a limited liability company), intends to file an application for Certificate of Need to establish a mental health hospital for adolescent and adult patients, located on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike, in Columbia, Tennessee 38401. The estimated project cost is $24,400,000.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 60-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is on or before October 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Miscellaneous Information

1. Medical Director Qualifications

CURRICULUM VITAE

RODNEY A. POLING, M.D.
Psychiatry
1402 Rosewood Drive
Columbia, TN 38401
(931) 381-5886

MEDICAL LICENSE

California	#G-53146
Kentucky	#25737
Tennessee	#020300

APPOINTMENTS

Clinical Assistant Professor,
Department of Psychiatry
Vanderbilt University School of Medicine
January 1997 to December 2010

EDUCATION

University of Kansas, School of Medicine
Kansas City, Kansas
M.D. May 15, 1983
August 1979 to May 1983

Tulane University of Louisiana
New Orleans, Louisiana
B.S. Chemical Engineering (cum laude)
May 11, 1979
August 1975 to May 1979

HONORS

Distinguished Fellow, American Psychiatric Association
Navy Commendation Medal
Navy Achievement Medal
Tau Beta Pi (Engineering Honor Society)

POST GRADUATE TRAINING

Psychiatry Residency
U.S. Naval Hospital
San Diego, California
August 1, 1985 to July 31, 1988

Internship – Diversified Psychiatry
U.S. Naval Hospital
San Diego, California
July 1, 1983 to June 30, 1984

PRACTICE

Medical Director
Behavioral Healthcare Center – Columbia
Columbia, Tennessee
January 2011 to Present

General Psychiatry
Private Practice
Maury Regional Hospital
Columbia, Tennessee
August 1990 to Present

Medical Director
Senior Life Expressions
Marshall County Medical Center
Lewisburg, Tennessee
July 2011 to December 2013

Consultant, Geriatric Psychiatry Program
Williamson County Counseling Center
Franklin, Tennessee
May 1991 to January 1993

Staff Psychiatrist
Consultant, Geriatric Psychiatry Program
Columbia Area Mental Health Center
Columbia, Tennessee
August 1990 to January 1993

Chief, Inpatient Psychiatry
U.S. Naval Hospital
Orlando, Florida
October 1988 to July 1990

Head, Psychiatry Department (Acting)
U.S. Naval Hospital
Orlando, Florida
August 1988 to October 1988

Squadron Medical Officer
Amphibious Squadron One
U.S.S. TARAWA LHA – 1 (Flagship)
July 1984 to July 1985

COLLATERAL DUTY

President
Tennessee Psychiatric Association
May 2016 to present

President Elect
Tennessee Psychiatric Association
May 2014 to May 2016

Secretary
Tennessee Psychiatric Association
May 2012 to May 2014

Chief of Staff
Maury Regional Hospital
Columbia, Tennessee
2003

Vice Chief of Staff
Maury Regional Hospital
Columbia, Tennessee
2002

President
Maury County Medical Society
Columbia, Tennessee
2000, 2012, 2013

Chairman, Department of Medicine
Maury Regional Hospital
Columbia, Tennessee
199

Chief-Department of Psychiatry
Maury Regional Hospital
Columbia, Tennessee
January 1998 to December 1999
January 1993 to December 1994

Chairman, Education and Library Committee
Maury Regional Hospital
Columbia, Tennessee
January 1998 to December 1999

Chairman, Credentials Committee
Maury Regional Hospital
Columbia, Tennessee
January 1996 to December 1996

Chairman, Bioethics Review and Protection
Of Human Subjects Committee
U.S. Naval Hospital
Orlando, Florida
December 1998 to June 1990

Psychiatric Consultant
Naval Support Force Antarctica
June 1987 to June 1988

BOARDS

American Board of Psychiatry and Neurology
June 1990 – Psychiatry
April 1994 – Geriatric Psychiatry
May 2004 – Re-Certified
April 2014—Re-Certified

National Board of Medical Examiners
July 1984

RODNEY A. POLING, M.D.
Curriculum Vitae
Page #5

PROFESSIONAL ORGANIZATIONS

American Psychiatric Association
Tennessee Psychiatric Association
Tennessee Medical Association
Maury County Medical Society
American Association of Geriatric Psychiatry
Tennessee Association of Geriatric Physicians
Tennessee Association of Long Term Care Physicians

LECTURES

"Game Day Strategies
For the Treatment of Depression"
Medical Staff Conference
Maury Regional Hospital
November 2000

"Treatment of Insomnia"
Annual Meeting
Tennessee Osteopathic Association
Chattanooga, Tennessee
May 2000

"Delirium"
Medical Staff Conference
Maury Regional Hospital
March 1998

"Obsessive Compulsive Disorder"
Community Awareness Series
Maury Regional Hospital
Columbia, Tennessee
October 1995

"Depressive Disorders: Recognition & Treatment"
Clinical Conference Lecture Series
Maury Regional Hospital
Columbia, Tennessee
November 1992, 1994

"Adjustment Disorder in the Navy"
Resident Lecture Series
Psychiatry Department
U.S. Naval Hospital
San Diego, California
1987 to 1988

"Schizophrenia, the One Percent Dilemma"
Grand Rounds
U.S. Naval Hospital
1986

PAPERS

"An Approach to the Violent Patient"
Shale, J. H., Poling, R. A. 1986
Unpublished

"Sundowning: A Problem in the Elderly Patient"
Shale, J. H., Poling, R. A. 1986
Unpublished

TOPICS OF INTEREST

Mood and Anxiety Disorders
Geriatric Psychiatry
Delirium
Consultation Psychiatry

APPOINTED BOARDS

Maury Regional Medical Center, Board of Trustees 2016
TennCare Pharmacy Advisory Committee 2015
CAHABA Medicare Advisory Committee 2012

May 30, 2014

Rodney A. Poling, M.D.
Rodney A Poling MD
1402 Rosewood Dr
Columbia, TN 38401-4878

Dear Dr. Poling:

The American Board of Psychiatry and Neurology, Inc. is pleased to inform you that you have passed your Geriatric Psychiatry Maintenance of Certification examination held April 21 - 25, 2014.

Your certificate will be printed with certificate number 1144 and will be sent to you in approximately three months. Certificates no longer carry an end date. To continue to be certified, diplomates must meet requirements for Maintenance of Certification. Please refer to the enclosed MOC Activities Calendar for more information.

The Board will submit your name and address for listing in a future edition of the *Official ABMS Directory of Board Certified Medical Specialists*. Lists of Diplomates are also sent to other selected publications and your name and publication address will be included in these lists. You may request a prepared Press Release statement to submit to your local publication. E-mail your 'Press Release' request to ComputerExams@abpn.com. Additionally, verification of your certification is available on-line through ABPN's *verifyCert® Status Verification System* at www.abpn.com/verifycert.

Please check your mailing and publication addresses on the enclosed form. If there is a discrepancy, update your information as necessary using the *ABPN Physician Folios* system at www.abpn.com/folios. Certificates will not be shipped to P.O. Boxes. See the enclosed Certificate Shipping form.

As a diplomate, the Board encourages you to include a statement on your stationery and printed material stating "a diplomate of the American Board of Psychiatry and Neurology, Inc., a member Board of the American Board of Medical Specialties."

Sincerely yours,

Larry R Faulkner

Larry R. Faulkner, M.D.
President and CEO
LRF/ab

American Board of Psychiatry and Neurology, Inc.

A Member Board of the American Board of Medical Specialties (ABMS)

Please Address All Communications to:
President and CEO
Larry R. Faulkner, M.D.
2150 E. Lake Cook Road, Suite 900
Buffalo Grove, IL 60089
Phone: 847.229.6500
Fax: 847.229.6600
www.abpn.com

6. Support Letters

RODNEY A. POLING, M.D., PLLC
Psychiatry
1402 Rosewood Drive
Columbia, Tennessee 38401
(931) 381-5886
Fax (931) 381-9246

September 30, 2016

To whom it may concern,

I write in favor of the proposed 60 bed psychiatric inpatient facility, a joint venture between Maury Regional Medical Center and HCA, for Maury County. I have been in psychiatric practice in Maury County for 26 years. I serve on the Board of Trustees for Maury Regional Medical Center. Since our inpatient psychiatric unit closed in 1997, I have seen the growing need for inpatient care in our community. Patients from our service area are sometimes "boarded" in our Emergency Departments for hours, days or weeks at a time, awaiting proper referral to a comprehensive psychiatric inpatient facility. Though we have geriatric beds available, adolescents and other adults, and their families, are forced to travel as far away as Memphis, TN to receive proper care. This distance erodes the therapeutic alliance which is needed for healing and recovery.

I urge the Commission to approve this request for the patients and families of South Central Tennessee, to again provide true community care for their psychiatric needs. Treating a patient in their own community is a much healthier way to address the complex problems which they face. I am confident the proposed facility would begin to meet these urgent psychiatric needs of our patients and families.

Thank you for your thoughtful consideration.

Yours very truly,

Rodney A Poling MD DFAPA
President, Tennessee Psychiatric Association

Charlie Norman
County Mayor

Maury County Government

Room 101
Maury County Courthouse
Columbia, Tennessee 38401

Phone
(931) 375-1001
(931) 375-1002

October 3, 2016

Ms. Melanie Hill
Executive Director
Tennessee Health services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill,

I am writing in support of the certificate of need application submitted by TriStar HCA and Maury Regional for the establishment of a 60 bed behavioral health hospital in Columbia, TN.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. There are no adult or adolescent beds located in the targeted service area.

By having the facility located in Maury County, it will help reduce travel time as well as keep deputies in the area when they are required to transport the patients.

Please consider this application and feel free to contact me at 931-375-1001 if you have any further questions.

Sincerely,

Maury County Mayor Charlie Norman

MAURY REGIONAL
MEDICAL CENTER

October 3, 2016

Ms. Melanie Hill
Executive Director
Tennessee Health services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill,

I am writing in support of the certificate of need application submitted by TriStar HCA and Maury Regional for the establishment of a 60 bed behavioral health hospital in Columbia, TN.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. There are no adult or adolescent beds located in the targeted service area.

Please consider this application and feel free to contact me at (615) 612-9473 if you have any further questions.

Sincerely,

Chad R. Bowser, MD
Facility Medical Director, Emergency Department
Maury Regional Medical Center

CENTERSTONE

October 3, 2016

Ms. Melanie Hill
Executive Director
Tennessee Health services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill,

I am writing in support of the certificate of need application submitted by TriStar HCA and Maury Regional for the establishment of a 60 bed behavioral health hospital in Columbia, TN.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. There are no adult or adolescent beds located in the targeted service area.

Please consider this application and feel free to contact me at 931-490-1589 or sherry.randles@centerstone.org if you have any further questions.

Sincerely,

Sherry Randles

Sherry Randles, LPC-MHSP
Director Crisis Services
Centerstone of Tennessee

NHC
HEALTHCARE

October 3, 2016

Ms. Melanie Hill
Executive Director
Tennessee Health services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill,

I am writing this letter in support of the certificate of need application submitted by TriStar HCA and Maury Regional for the establishment of a 60 bed behavioral health hospital in Columbia, TN. This joint venture is a great opportunity and investment for community.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. There are no adult or adolescent beds located in the targeted service area. I have worked in health care administration here in Maury County for twenty five years and I believe this hospital is a much needed addition to our overall health care delivery system.

I strongly support this application and I hope the board will give it full consideration. Please feel free to contact me at 931-388-7182 if you have any further questions.

Sincerely,

NHC Hillview, Administrator

SHERIFF OF MAURY COUNTY

1300 Lawson White Drive
Columbia, Tennessee 38401
Phone 931-388-5151 • Fax 931-380-1122
ORI No. TN 0600000

BUCKY ROWLAND
Sheriff

RAY JETER
Chief Deputy

October 5, 2016

Ms. Melanie Hill
Executive Director
Tennessee Health services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill,

I am writing in support of the certificate of need application submitted by TriStar HCA and Maury Regional for the establishment of a 60 bed behavioral health hospital in Columbia, TN.

This hospital would be a great benefit to Maury County residents and to the Maury County Sheriff's Department. We are currently transporting patients, sometimes hundreds of miles, to facilities throughout the State of Tennessee. It would be a benefit to us all to have a facility in our county to serve these patients.

Please consider this application and feel free to contact me at 931-375-8605 if you have any further questions.

Sincerely,

Ray Jeter
Chief Deputy

Supplemental #1
-COPY-

TriStar Maury Regional Behavioral Health

CN1610-036

October 14, 2016

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
TriStar Maury Regional Behavioral Healthcare
Columbia, Maury County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. for a 60-bed Mental Health Hospital in Columbia, to be joint-ventured between affiliates of Maury Regional Hospital and HCA. The affidavit and filing fee are enclosed.

I am the contact person for this project. Jerry Taylor is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215

jwdsg@comcast.net

Tel 615.665.2022
Fax 615.665.2042

Attached after this page is a revised page 5R. It clarifies the applicant's current ownership by HCA only. It states how funding will be provided once joint ownership is in place. It adds that HCA will not provide full funding or implement the project if the joint venture is not finalized.

Please note that revised page 5 also changes response (8) regarding staffing. The submitted application erroneously listed startup FTE data rather than full Year One data. It also adds Behavioral Healthcare at Columbia as a fourth hospital in response (4) on that page.

b. What is the distance from the proposed site of the project and Maury Regional Hospital?

The distance is 1.6 miles, a 4-minute drive.

c. Please clarify if children in state custody will be admitted to the adolescent unit.

No.

d. Please clarify if the proposed pediatric unit will serve those that are dually diagnosed with a psychiatric and chemical dependency diagnosis.

Yes, it will.

e. Please clarify if the applicant will also offer adolescent/adult partial hospitalization and intensive outpatient programs.

These two programs are similar except in their weekly lengths of stay. An IOP (intensive outpatient program) typically is three hours a day, for three days a week. This hospital will offer an IOP. However, a PHP (partial hospitalization program) will not be offered because those typically are five days a week for four to five hours per day and the project will not be staffed to provide such service, during its first two years.

SUPPLEMENTAL #1
October 28, 2016
2:44 pm

DSG Development Support Group

October 28, 2016

Phillip M. Earhart, Health Services Development Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1610-036
TriStar Maury Regional Behavioral Healthcare

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section A. , Executive Summary, (2) Ownership Structure

a. Please explain the reason a joint venture between HCA Holdings, Inc. and Maury County Regional Hospital was not finalized prior to submitting the application for a CON.

The parties to the joint venture agreed to have HCA form the applicant LLC, which was required in order to file this application. Additional time and resources will be required to complete and to fund the 51% / 49% ownership division of the LLC over the next several months. The parties saw no advantage in delaying the application--either for themselves or for the HSDA. The HSDA and both parties are fully protected by the applicant's commitment to surrender the Certificate of Need if a joint venture is not finalized. The parties expect, and will agree to, HSDA addition of that condition to the Certificate of Need, should it be granted. See the response to your question 3 below.

b. If the agreement falls through with Maury, would HCA seek another partner?

No.

2. Section A. , Executive Summary, Overview and (6) Funding

a. It is noted the project cost will be funded by Maury Regional Hospital (49%, or $11,776,381) and HCA (51%, or $12,257,050). However, Maury Regional Hospital is not currently an owner of TriStar Maury Behavioral Healthcare, LLC. Please provide a replacement page 5 that correctly identifies entities that are currently part of TriStar Maury Behavioral Healthcare, LLC and will fund the project.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

f. Please clarify if the proposed hospital will admit patients with intellectual disabilities.

To be admitted, a patient must demonstrate sufficient cognitive abilities to participate in both individual and group therapy. The facility's psychiatrists and clinical teams will make that judgment using a Behavioral Health Assessment, not an arbitrary IQ standard.

g. Please clarify if the adolescent unit will serve both males and females.

Yes. As shown on the floor plan, the adolescent and adult areas are both divided into two distinct sub-units of patient rooms, for appropriate gender separation--which at times of high census can also be achieved by separating male and female patients into rooms on opposite sides of corridors that are continuously monitored.

h. In the 2014 JAR, Maury has ADC of 114, meaning on average they have 141 empty beds. Why won't a unit in hospital work?

A small unit would not provide enough bed capacity to meet adult and adolescent needs in this 10-county area. However, over a period of months, and with assistance from healthcare architects, Maury Regional and HCA studied the feasibility of developing a large in-hospital behavioral health program. They determined that such a "carve-out" would require too much renovation to provide all the required space for gender-and age-separated patient rooms and support areas. The renovation option would have intruded to an unacceptable degree into existing ancillary departments, interfering with the hospital's current services. To avoid such disruptions and compromises, both parties agreed to work toward a freestanding facility close to Maury Regional.

i. Please clarify the reason why the applicant is not planning to open a unit for children ages 0-12, particularly, when a child in need of treatment would be required to transfer to a distant facility away from their family for inpatient care. Is there not a need for beds 0-12 in the proposed 10 county service area?

There is a need for one; and a program for children ages 0-12 would not be ruled out in the future. But it is very difficult to implement one, because accreditation standards require the presence of a psychiatrist Board-certified in child psychiatry and there is a national shortage of such physicians, making recruitment to a rural service area very challenging. Services for adolescents and adults are also needed, and can be implemented immediately with the assistance of psychiatrists who are already in Columbia and on staff at Maury Regional Medical Center.

3. Section 4B. Facility Owner

If approved, please indicate if the applicant would agree to place the following condition on the CON: *"that a definitive agreement between the HCA affiliate and Maury Regional affiliate, to jointly own and implement the project would be required, if not, the CON would be surrendered."*

Yes. That reflects the intent of the parties, as stated in the application.

4.Section 5A. Management/Operating Entity

Please provide a copy of the management agreement referenced in Attachment Section A-5A.

The draft management agreement is attached at the end of this letter.

5. Section 6B. (2) Floor Plan

a. The floor plan is noted. However, please indicate where adolescent patients will participate in recreational and leisure activities, family visitation, and receive educational services.

Please refer to the floor plan. Short-stay adolescents do not require a gymnasium; this design provides three outdoor fenced recreational yards as well as "Noisy Activity" rooms for adolescents' use. Family visitations will be scheduled in the Quiet Activity rooms on the unit, with staff consult rooms also available in overflow situations. Short-stay adolescents do not require classrooms for an in-house educational program; longer-stay patients must by law receive educational services from the local school district.

b. Please indicate if the proposed adolescent unit will be secured.

Yes. The entire facility will be secured.

c. Please clarify if there will be a secured area for triage and assessment.

Yes. The plan shows a large "Admissions" space adjoining the main entrance lobby. This space will be subdivided into several related spaces, one of which will be a secured area for triage and assessment.

d. Please clarify if the proposed psychiatric units will have a restraint room in each.

Yes; this is a required space under industry standards. There are four--one for each sub-unit. They are labeled "Seclusion" on the floor plan.

6. Section B, Need, Item l.a. (Psychiatric Inpatient Services-Service Specific Criteria-)

Please note revised Psychiatric Inpatient Services Standards and Criteria were recently approved. The criteria is located at the following web-site:
http://tennessee.gov/assets/entities/hsda/attachments/FINAL_Certificate_of_Need_Standards_and_Criteria_for_Psychiatric_Inpatient_Services.pdf

a. Please address the Psychiatric Inpatient Service Specific Criteria by listing each question and providing a response underneath.

Responses to the new Criteria are attached at the end of this response letter, due to their length.

b. Please complete the following table to determine psychiatric bed need (1).

	Population 2020		Gross Need Pop. X (30 beds/100,000)		Current Licensed Beds		Net Need	
	Adolescents 13-17	Adults 18-64	Adolescents 13-17	Adults 18-64	Adolescents 13-17	Adults 18-64	Adolescents 13-17	Adults 18-64
Proposed Service Area	21,064	179,608	6.3	53.9	0	0	6.3	53.9

c. Please explain why the applicant will serve patients up to the age of 69 while there are already 54 licensed geriatric beds in the proposed service area that serve patients 65 and over.

Over the years, the applicant expects to occasionally admit patients between the ages of 65 and 69, based on HCA's experience at other adult units that do not hold themselves out in the community as "geropsychiatric" programs. This would not be done unless admissions of such patients were not feasible at existing geropsychiatric units in the area. It was necessary to make this disclosure in the application; but no geropsychiatric admissions are even projected in the facility's early years.

d. The statement on page 27 that the State of Tennessee has reduced its financial support of inpatient facilities in recent years is noted. However, please clarify how financial support has been reduced by the State and how it applies to this proposed project.

This statement simply pointed out the State's reduction in its complement of State-owned inpatient facilities, two examples being the closure several years ago of the Lakeshore Mental Health Institute in Knox County, and the Clover Bottom facility in Nashville (the latter for care of persons of low IQ or with developmental disabilities; it was not a psychiatric hospital). In Middle Tennessee, State-owned Middle Tennessee Mental Health Institute, a behavioral health hospital in Nashville, replaced the old Central State Hospital, and in 2014 admitted 371 residents of this project's service area. However, its beds run full (85.6%) and the State has not proposed to expand its capacity to meet growing regional needs. With pressures on State funding, the hospital industry has found it necessary to begin to offer more inpatient behavioral health programs.

7. Section B, Need Item 3

a. Please complete the following table for ages 13-17 and 18-69 of Year Two of the proposed project.

CY 2020 Projected Utilization By County Residents

Service Area Counties	Ages 13-17	Ages 18-64
Giles	57	113
Hickman	51	111
Lawrence	102	163
Lewis	27	49
Lincoln	73	132
Marshall	74	135
Maury	190	359
Moore	14	27
Perry	16	31
Wayne	32	74
Total Admissions	636	1,194

Note: The distribution of cases is based on each county's population for that age cohort as a percent of the total service area population in that cohort, times the total projected service area cases.

The applicant has completed the table for ages 13-17 and 18-64, to comply with standard age brackets and because there may not be any admissions 65-69 years of age during Year Two.

b. The applicant has included Tennessee 2015 acute cases in the table on the top of page 31 using the THA Database. Please clarify if Rolling Hills and Middle Tennessee Mental Health Institute's utilization are included in the table.

Neither reports utilization to the THA database. But both file Joint Annual Reports. In its 2014 JAR, Rolling Hills admissions for psychiatric diagnoses were not reported by age cohort--only total admissions and their county of origin.

The applicant's originally submitted Page 31 table included all 638 of Rolling Hills' admissions from the project service area--even though that may have included some geriatric and substance abuse patients. To roughly offset that potential over-estimate, the applicant excluded all 371 of Middle Tennessee Mental Health Institute's service area admissions and all 32 BHC service area admissions.

This data should now be amended, by excluding patients admitted to Rolling Hills, MTMHI and BHC--while noting their significant additional utilization, many of which are probably patients 13-64 years of age. Please see the data in response to question 9a below. Please see the notes about the utilization of the three excluded hospitals, none of which reports to THA to the applicant's best knowledge. A revised page 31R is provided following this page.

8. Section B, Need Item 4.A

The population table of the proposed project is noted. The applicant's population table will need to be revised to reflect Current Year (CY) 2016 and Projected Year (PY) 2019 as prescribed in the most recent Psychiatric Inpatient Services-Service Specific Criteria. Please revise Table B-Need-4A (2) and provide a replacement page.

This response is waived by permission of HSDA staff.

9. Section C. Need, Item 5

a. Your response to this item is noted. However residents 0-17 and 18-69 of the proposed 10 county service area are currently receiving inpatient psychiatric care at hospitals in surrounding counties. Please provide patient day utilization by age group (including patients 0-17, 18-64, and 65+) by hospital of where patients from the proposed service area were receiving inpatient psychiatric for the most recent year available.

Hospital members of the THA Database are contractually prohibited from disclosing in public documents the utilization data of individual hospitals.

3. (Continued) Please complete the following tables, if applicable:

Primary Service Area Counties	Estimated CY2015 Cases Age 13-64 in TN Acute Psychiatric Units	% of Total Admissions That Were Reported to THA
Giles	102	9.7%
Hickman	152	14.4%
Lawrence	146	13.9%
Lewis	27	2.6%
Lincoln	105	10.0%
Marshall	99	9.4%
Maury	353	33.5%
Moore	5	0.5%
Perry	29	2.8%
Wayne	36	3.4%
Totals	1,054	100.0%

Source: THA Database.
Note: This includes only the 1,054 cases reported to the THA by age group; three other hospitals admitted an estimated 995 additional service area cases, whose origin by county can not be accurately determined from their JAR's.

Primary Service Area Counties	Projected Admissions To The Project in CY2020 (Year Two) Alphabetic By County	% of Total Admissions
Giles	174	9.5%
Hickman	167	9.1%
Lawrence	254	13.9%
Lewis	76	4.2%
Lincoln	207	11.3%
Marshall	99	11.3%
Maury	547	29.9%
Moore	41	2.3%
Perry	48	2.6%
Wayne	109	6.0%
Totals	1,830	100.0%

Source: Admissions projected in proportion to counties' percentages of the target population.

Attached on the following page is a new table showing THA data on unidentified providers that admitted service area patients in CY2015, by the three age cohorts 13-17, 18-64, and 65+. In addition to that data, please consider imperfect data from three other providers, as described below.

Rolling Hills does not report to the THA database. Its 2014 JAR reported 638 admissions from the project service area, but provided no age breakdowns specific to psychiatric or dual-diagnosis admissions only (They have a substance abuse unit).

Middle Tennessee Mental Health Institute does not report to THA. Its 2014 JAR reports 371 total admissions from the project service area, but does not break those admissions down by age group. However, MTMHI's JAR Schedule H, page 32, indicates that 98.6% of its admissions were adults ages 18-64. Their patient origin by county indicates that 371 patients were admitted from this project's service area. Applying 98.6% to that number would imply that 366 MTMHI admissions were probably adults ages 18-64.

The Behavioral Healthcare Center at Columbia does not report to THA. It holds a license for 16 geropsychiatric beds. Its 2014 JAR reported 3 psychiatric bed admissions ages 18-64 and 29 psychiatric admissions ages 65+. Their JAR's patient origin data, however, covers all admissions to all of their programs, not just their psychiatric program. The applicant believes that virtually all its psychiatric admissions were from the project service area.

So in the Table B-Need-6, on revised page 36R of the application, the 2,049 service area patients ages 13-64 in CY2015 was estimated as follows:

1. THA-reporting hospitals: 1054 admissions ages 13-64
2. Middle Tennessee Mental Health Institute: 366 admissions ages 13-64
3. Rolling Hills Hospital: estimated 626 admissions ages 13-64 which is 98% of its 638 admissions from this service area
4. Behavioral Healthcare Center at Columbia: 3 admissions ages 18-64

In the original submittal, the applicant erroneously described the 2,049 patients as "all ages". To correct the narrative, attached after this page are revised page 36R-37R.

SUPPLEMENTAL TABLE: SERVICE AREA RESIDENTS ADMITTED FOR BEHAVIORAL HEALTH INPATIENT CARE--AGES 13+
THA DATABASE CY2015

Provider	Giles			Hickman			Lawrence			Lewis			Lincoln		
	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+
Undisclosed	-	21	37	-	-	-	-	1	18	-	2	1	-	1	3
Undisclosed	-	-	1	-	-	-	-	-	-	-	-	-	-	15	29
Undisclosed	-	5	1	-	2	-	-	3	2	-	1	1	-	3	1
Undisclosed	-	-	-	-	-	2	-	-	1	-	2	1	-	-	-
Undisclosed	-	-	-	-	2	1	-	-	-	-	-	-	-	-	-
Undisclosed	-	-	2	-	5	2	-	1	2	-	1	1	-	-	-
Undisclosed	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Undisclosed	-	15	3	-	48	9	-	32	5	-	5	3	-	13	4
Undisclosed	4	17	-	3	29	-	3	33	-	1	4	-	-	15	-
Undisclosed	-	15	-	-	19	3	-	20	2	-	1	1	-	32	3
Undisclosed	-	3	-	-	8	-	-	11	-	-	1	-	-	6	-
Undisclosed	3	13	-	7	19	4	7	20	2	1	5	-	2	11	3
Undisclosed Other Providers	3	3	1	-	9	4	3	12	5	3	-	-	2	5	12
TOTALS	10	92	45	10	142	25	13	133	37	5	22	8	4	101	55

Provider	Marshall			Maury			Moore			Perry			Wayne		
	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+	13-17	18-64	65+
Undisclosed	-	2	4	-	-	1	-	-	-	-	-	-	-	-	3
Undisclosed	-	-	2	-	-	-	-	-	1	-	-	-	-	-	-
Undisclosed	-	3	2	-	16	9	-	-	-	-	1	-	-	2	-
Undisclosed	-	-	-	-	-	-	-	-	-	-	4	22	-	1	3
Undisclosed	-	-	-	-	2	-	-	-	-	-	-	-	-	1	-
Undisclosed	-	-	1	-	-	2	-	-	-	-	-	-	-	-	-
Undisclosed	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Undisclosed	-	15	6	-	66	20	-	-	-	-	2	-	-	14	2
Undisclosed	4	18	1	23	71	2	-	-	-	-	6	-	-	6	-
Undisclosed	-	27	4	-	48	3	-	2	-	-	1	-	-	5	4
Undisclosed	-	6	-	-	21	-	-	-	-	-	-	-	-	1	2
Undisclosed	3	13	4	26	58	6	1	1	1	5	6	-	-	5	-
Undisclosed Other Providers	1	5	5	7	15	9	-	1	3	-	4	2	-	1	1
TOTALS	8	91	29	56	297	52	1	4	5	5	24	24	-	36	15

Source: DSS, from THA Database

	13-17	18-64	65+	TOTAL, 13+
Total, All Providers	112	942	295	1,349
Total Excluded hospitals (estimate)				1,041

Source: Joint Annual Reports, 2014

Notes on three acute psychiatric providers who are not in the THA database, but admitted a total of 1,041 patients many of whom might have been from the project service area. Data is not available to quantify that.
1. Excludes Middle Tennessee Mental Health Institute's 371 admissions from service area, in 2014 JAR, which did not list short-stay admissions by ages or county of origin.
2. Excludes Rolling Hills Hospital's 638 admissions from service area, in 2014 JAR, which did not provide admissions by age group by county. Its admission and patient origin data may include some admissions of children and substance abuse patients without a psychiatric diagnosis.
3. Excludes Behavioral Health of Columbia because its 32 admissions on page 32 of the 2014 JAR are not broken down by county of origin. Their patient origin idata is for all of their mental health clients. just their psychiatric patients.
4. The undisclosed hospital names in the THJA database are (not in order of the data) Hillside Hospital,Vanderbilt, Lincoln County Medical Center, Perry Community Hospital, Maury Regional Medical Center, University Medical the three Saint Thomas hospitals in Murfreesboro and Nashville, TriStar Centennial Medical Center, TriStar Skyline Medical Center at Madison, and Trustpoint in Murfreesboro.

b. The tables on page 35 are noted. However, the total psychiatric beds for 2013 and 2014 appear to not total correctly. Please correct and revise any other calculation in the table as a result of changing the total psychiatric bed count.

The corrected table, with 54 existing beds showing consistently in all three years, is attached following this page.

Table B-Need-5: TriStar Maury Regional Behavioral Healthcare
Acute Behavioral Care Bed Utilization in Primary Service Area
2012-2014 REVISED ON SUPPLEMENTAL CYCLE

2012 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Bed Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	277	3,633	13.1	10	71.1%
	Lincoln Medical Center	Lincoln	10	161	2,369	14.7	6	64.9%
	Perry Community Hospital	Perry	14	243	2,709	11.1	7	53.0%
	THM-Tennessee Health Management	Maury	16	246	3,212	13.1	9	55.0%
	SERVICE AREA TOTALS		**54**	**927**	**11,923**	**12.9**	**33**	**60.5%**

2013 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	212	2,725	12.9	7	53.3%
	Lincoln Medical Center	Lincoln	10	130	2,171	16.7	6	59.5%
	Perry Community Hospital	Perry	14	236	2,618	11.1	7	51.2%
	THM-Tennessee Health Management	Maury	16	281	3,476	12.4	10	59.5%
	SERVICE AREA TOTALS		**54**	**859**	**10,990**	**12.8**	**30**	**55.8%**

2014 Joint Annual Reports of Hospitals

State ID	Facility Name	County	Psychiatric Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Hillside Hospital	Giles	14	181	2,470	13.6	7	48.3%
	Lincoln Medical Center	Lincoln	10	184	2,709	14.7	7	74.2%
	Perry Community Hospital	Perry	14	194	2,278	11.7	6	44.6%
	THM-Tennessee Health Management	Maury	16	32	326	10.2	1	5.6%
	SERVICE AREA TOTALS		**54**	**591**	**7,783**	**13.2**	**21**	**39.5%**

Source: Joint Annual Reports of Hospitals

10. Section C, Need, Item 6
a. Please complete the following tables for Year One and Year Two:

The requested projections are provided below. You should know that the applicant did not originally project utilization by age cohort. The following data is a new projection based on HCA's experience, which ties to the facility utilization data that has already been submitted, on which the applicant relies. The ALOS, ADC, and occupancy numbers in the table below are rounded to one decimal place.

Projected Inpatient Utilization		
Variable	Yr 1-2019	Yr 2-2020
Ages 13-17 Psych. Licensed Beds	18	18
Ages 13-17 Psych. Admissions	471	636
Ages 13-17 Psych. Patient Days	3,333	4,770
Ages 13-17 Psych. ALOS	7.5 days	7.5 days
Ages 13-17 Psych. ADC	9.1	13.1
Ages 13-17 % Lic'd. Bed Occupancy	50.7%	72.6%
----------	-------	-------
Ages 18-64 Psych. Licensed Beds	42	42
Ages 18-64 Psych. Admissions	881	1,194
Ages 18-64 Psych. Patient Days	8,097	10,973
Ages 18-64 Psych ALOS	9.2 days	9.2 days
Ages 18-64 Psych. ADC	22.2	30.1
Ages 18-64 % Lic'd. Bed Occupancy	52.8%	71.6%

b. It is noted the applicant estimates 2,049 patients in CY2015 went outside the proposed service area to obtain acute behavioral inpatient care. Please cite the source for the data. In addition, please breakout the 2,049 patient estimates by ages 13-17 and 18-69.

That was quoting an early market analysis of total service area use of behavioral health facilities--all ages, not just ages 13-69. The 2,049 figure included limited geropsychiatric admissions within the service area. It did not include 371 service area admissions to Middle Tennessee Mental Health Institute in Nashville (see the response to your question 9a above). It did not include the 32 geropsychiatric admissions to Behavioral Healthcare Center at Columbia, which does not report to THA. Please see our revisions of the data for your question 9a above. The new table covers admissions from all ten service area counties, to all hospitals reporting to the THA database.

However, as explained in 9a above, there are probably close to 1,000 admissions from the service area, going to hospitals that do not report to THA.

11. Section C. Economic Feasibility Item 1 Project Costs Chart

a. It is noted Architectural and Engineering Fees are 8% of the total construction cost. However, 8% of the total construction cost totals $1,144,000 not $1,001,000. Please clarify.

That was a typographical error; the A&E fees are 7% of line A.5. Attached following this page is a corrected Project Cost Chart.

b. If the proposed project will be funded through cash reserves, please clarify the reason there is an assignment of $586,181 in the Project Costs Chart for interim financing.

HCA and other companies that self-fund projects impute "construction interest" to the project's capital costs paid out during the construction period, to equate to costs of capital that would be paid to a commercial lender were loan financing used for the construction period.

12. Section C. Economic Feasibility Item 2 Funding

The funding letter from Maury Regional stating Maury Regional is a 49% member of the LLC and is funding $12,000,000 to the proposed project is noted. However, Maury Regional is not a member of the applicant LLC. Please provide a funding letter from TriStar Health (on company letterhead with signature) that states TriStar Health will fund the entire project since they are the only member of the LLC at this time.

TriStar will not fund the whole project; it will fund only its 51% share. This has to be viewed in light of the applicant's commitment to partner with Maury Regional Hospital on the project or not to do the project at all. It would contradict the application to provide a letter assuring the HSDA that HCA would fund all of the capital cost. Attached following this page is a funding letter from HCA for its 51% of the capital cost.

13. Section C. Economic Feasibility Item 3 and 4 (Historical and Projected Data Chart)

Please complete the breakout of D.6 Other Operating Expenses located on page 43 and submit a replacement page.

Attached after this page is a replacement Projected Data Chart. The applicant has moved benefits into the salary line on the first page of that chart and recalculated the free cash flow section on page 2 of the chart. Also attached is revised page 45R, with the ratios stated as percentages.

14. Section C, Economic Feasibility, Item 5.C.

The table identifying the project's average gross charge in comparison to Rolling Hills and TrustPoint is noted. However, please clarify the reason the gross charge of the applicant would be over twice the amount charged by Rolling Hills and TrustPoint Hospital.

The gross charges for this proposed hospital are tentative for CY2019 and CY2020 charges. They will be set in further consultation with Maury Regional Medical Center, during project implementation. Note that this project's estimated charges are several years in the future, whereas we have only two-year-old comparative data from the existing hospitals you. Some annual inflation in those hospitals' charges is to be expected by 2019, narrowing the gap. But more significantly, HCA will negotiate major discounts from its gross charges --with both payors and inadequately insured patients.

TriStar Health
TriStarHealth.com
110 Winners Circle, First Floor
Brentwood, TN 37027
(615) 886-4900

October 12, 2016

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

RE: CON Application for TriStar Maury Regional Behavioral Healthcare
Columbia, Maury County

Dear Mrs. Hill:

TriStar Maury Behavioral Healthcare, LLC is applying for a Certificate of Need to develop a 60-bed mental health hospital in Columbia. Through a wholly-owned subsidiary, Maury County Behavioral Health, LLC, HCA currently is the sole owner of the LLC filing the application. However, the application contemplates that an affiliate of Maury Regional Hospital (a public nonprofit entity) will acquire 49% membership interest in the applicant LLC in the near future. HCA and Maury Regional have planned this as a joint venture over the past two years.

The estimated project cost is $24,033,041. As the prospective 51% owner of the applicant LLC, HCA's share of this cost will be $12,256,851.

As Chief Financial Officer of TriStar Health, the HCA Division Office for Middle Tennessee, I am writing to confirm that HCA, Inc. will provide through TriStar Health the $12,256,851 in funding required to implement HCA's future share of the project cost. HCA, Inc.'s financial statements are provided in the application.

Sincerely,

C. Eric Lawson, CFO
Tristar Health

As indicated on that same table, these three hospitals will be receiving actual payments (net revenue per stay and per day) that are closely aligned with one another.

15. Section C. Economic Feasibility, Item 7

Please complete the table of the applicant's payor mix and submit a replacement page for page 47.

Attached after this page is revised page 47R.

16. Section C, Contribution to Orderly Development, Item 1

The transfer agreement with Maury Regional Hospital is noted. What other transfer agreements or contractual agreements is the applicant considering?

None others at this time; but by the time the project is implemented, the applicant would expect to have additional transfer agreements, possibly with MTMHI, TriStar Skyline at Madison, TriStar Valley Hospital in Chattanooga, and Tristar Centennial Medical Center in Nashville, to name a few.

17. Section C, Contribution to Orderly Development, Item 2

a. What is the distance from the applicant to Rolling Hills Hospital (Williamson County), TrustPoint Hospital (Rutherford County), and Centennial Medical Center (Davidson County)?

The distance and drive time data shown on Table A-6B(3) in the submitted application (following page 13) indicate that Columbia itself is 2.7 miles and 5 minutes' drive time from the project site. Below is Google Map's estimate of drive times from this project site to TrustPoint and Centennial.

Distances and Drive Times from This Project to Two Behavioral Care Providers Outside the Service Area			
From Project to Trustpoint		From Project to Centennial	
Miles	Minutes	Miles	Minutes
29.5 miles	34 min.	50.3 miles	59 minutes

Source: Google Maps on 10-27-16, at 4 pm.

Table C-Economic Feasibility-8: TriStar Maury Regional Behavioral Healthcare Projected Staffing				
Position Classification	**Existing FTEs (N/A)**	**Projected FTEs (Yr 1)**	**Average Wage (Contractual Rate)**	**Areawide / Statewide Average Wage**
A. Direct Patient Care Positions				
Chief Nursing Officer (CNO)		1.00		
Nurse Manager		2.00		
Nurse Supervisor		2.00		
Nurse		26.74		
Mental Health Technician		12.60		
Activity Therapist		2.80		
Social Worker		5.60		
Total Direct Patient Care Positions		**52.74**		
B. Non-Patient Care Positions				
CEO		1.00		
CFO		1.00		
Pharmacy		4.20		
Dietary		8.40		
Unit Secretary		3.00		
Administrative Assistant		2.00		
Case Management/Utilization Review		4.20		
Plant Operations		3.00		
Security		4.20		
Environmental Services		8.40		
Total Non-Patient Care Positions		**39.40**		
Total Employees (A + B)		**30.00**		
C. Contractual Staff				
Medical Director		1.00		
Total Contractual Staff		**1.00**		
Total Staff (A+B+C)		**93.14**		

Primary Service Area	TriStar Maury Reg. Behavioral HealthCare	Rolling Hills Hospital	TriStar Maury Reg. Behavioral HealthCare Projected Admissions in Year Two
Bedford		x	
Giles	x	x	174
Hickman	x		167
Lawrence	x	x	254
Lewis	x		76
Lincoln	x	x	207
Marshall	x	x	207
Maury	x	x	547
Moore	x		41
Perry	x		48
Wayne	x		109
Rutherford		x	
Williamson		x	
Total			**1,830**

Source: *CN1312-051A, Rolling Hills Hospital and CN1610-036, TriStar Maury Regional Behavioral Healthcare*

b. Please describe the effects of competition and/or duplication as a result of this proposal when half of the applicant's proposed service area overlaps with Rolling Hills Hospital and those five counties represent 1,389 admissions, or 75% of all admissions projected by the applicant in Year 2. Please refer to the table above.

By four years from today (2020), the applicant believes that the project service area counties will have much more demand for psychiatric admissions than is indicated by 2014-2015 admissions to behavioral health hospital beds. It is important not to expect patients and families to drive such long distances out of the area. It is not reasonable for the sheriff's departments to allocate scarce man-hours to transport patients to and from Middle Tennessee Mental Health Institute or Rolling Hills, or other faraway providers. There needs to be a short-term acute care resource for this service area's residents, closer to their homes.

The applicant concedes that the impact of the project on Rolling Hills will initially be adverse, but Rolling Hills' admissions will recover swiftly, with its location in one of America's fastest-growing urban areas, and the population's growing awareness of the availability of help with behavioral issues.

c. Please clarify if an 80% market share is realistic in the proposed 10 County service area. Does Rolling Hills or TrustPoint, sole mental health providers in their counties, have such market share? What is patient origin by county for TrustPoint and Rolling Hills.

The applicant does believe in its admissions projections, due to the stature of Maury Regional Medical Center in the service area, and to HCA's own long experience in serving behavioral health needs in Nashville, Madison, and Chattanooga. However, the "market" in CY2014 and CY2015 reflected only actual admissions--it did not include those who are going without inpatient care for a variety of reasons. The actual need for these services, in the opinion of the applicant, is much larger than indicated by actual admissions which constitute "the market" for projection purposes.

Attached after page 16 of this letter is patient origin information reported by Trustpoint and Rolling Hills, in their 2014 Joint Annual Reports.

18. Section C, Contribution to Orderly Development, Item 8

a. Please indicate if a Board Certified Psychiatrist specializing in Pediatrics is available to provide medical services to patients ages 13-17 if this application is approved.

There are two Board-certified psychiatrists in place in Columbia, who will be the project's first medical staff. They are Board-certified but do not yet have a specialty in Child Psychiatry. A third psychiatrist will be recruited during implementation of the project. That third psychiatrist hopefully will have a specialty in Child Psychiatry. With this project admitting only teenagers and adults, not children ages 0-12, the existing staff are viewed as highly competent to provide high quality care to teenagers and to adults. Please see the outstanding resume of Dr. Poling, in the Attachments.

b. In review of recent applications for Psychiatric Inpatient Facilities, it appeared empty beds were the result of shortages in psychiatric staff. Why will this project not have the same issues?

This is in Middle Tennessee, within an hour's drive of Nashville, and recruitment of staff to this region is expected to be easier in this region than in Chattanooga. Not only is the greater Nashville area a burgeoning health care center; over the next three years many new behavioral healthcare professionals will be graduated from Middle Tennessee educational programs. HCA operates its own program to help general acute care nurses transition to behavioral health nurses, and provides behavioral health

residencies for behavioral health RN's at TriStar Centennial and TriStar Skyline at Madison. HCA also operates a robust recruitment program including media advertising, personal recruitment calls, etc. with area-specific goals.

c. The table (Table B-Need-12) on page 48 is noted. Please complete the last two columns of the table and submit a replacement page 48.

The applicant cannot complete the last two columns of the table until Monday, October 31. It will be submitted under separate cover. However, to show the positions and FTE's of the project, a partially completed table is attached after this page.

19. Proof of Publication
Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

Attached at the end of this submittal.

20. Affidavit
A signed and notarized affidavit must be submitted with each filing of an application and supplemental information. An affidavit was not included with this application. Please submit a completed affidavit for the original application and one for the supplemental information. Please note there is an affidavit form for the original filing and a separate form for supplemental responses.

Both are attached after this page.

Additional Materials Submitted: After this page are the responses to the State Health Plan CON review criteria for inpatient psychiatric beds, an additional support letter from a local physician, and an article of general interest on the topic of lack of beds for psychiatric patients.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn
Consultant

STATE HEALTH PLAN CON REVIEW CRITERIA FOR INPATIENT PSYCHIATRIC SERVICES

STATE HEALTH PLAN
CERTIFICATE OF NEED STANDARDS AND CRITERIA
FOR
PSYCHIATRIC INPATIENT SERVICES

Standards and Criteria

1. Determination of Need: The population-based estimate of the total need for psychiatric inpatient services is a guideline of 30 beds per 100,000 general population, using population estimates prepared by the TDH and applying the applicable data in the Joint Annual Report (JAR). These estimates represent gross bed need and shall be adjusted by subtracting the existing applicable staffed beds including certified beds in outstanding CONs operating in the area as counted by the TDH in the JAR. For adult programs, the age group of 18-64 years shall be used in calculating the estimated total number of beds needed; additionally, if an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used. For child inpatients, the age group is 12 and under, and if the program is for adolescents, the age group of 13-17 shall be used. The HSDA may take into consideration data provided by the applicant justifying the need for additional beds that would exceed the guideline of 30 beds per 100,000 general population. Special consideration may be given to applicants seeking to serve child, adolescent, and geriatric inpatients. Applicants may demonstrate limited access to services for these specific age groups that supports exceeding the guideline of 30 beds per 100,000 general population. An applicant seeking to exceed this guideline shall utilize TDH and TDMHSAS data to justify this projected need and support the request by addressing the factors listed under the criteria "Additional Factors".

Rationale: Many communities in Tennessee have unique needs for inpatient psychiatric beds. The above formula functions as a "base criteria" that allows applicants to provide evidence supporting a need for a higher number of beds in the proposed service area. The HSDA may take into account all evidence provided and approve applications that request beds that exceed the 30 beds per 100,000 guideline when needed. An analysis of admissions and discharges by age category performed by the HSDA suggests there may be limited access for inpatients under the age of 18 and inpatients aged 65 and over. However, the applicable JAR form does not provide occupancy rates by age category. Health Planning believes developing determination of need formulas specific to each age category is not possible at this time due to these limitations in available data. The current need formula is to be utilized as a guideline allowing applicants the opportunity to apply to serve the unique needs of the intended service area.

Response:

Table B-Need-4A(2) in this application shows several population cohorts compiled from projections of the Tennessee Department of Health. This project will serve primarily adolescents and adults, ages 13-69. The applicant does not plan to offer a formal geropsychiatric unit or program because four "adult" programs limited almost entirely to geropsychiatric patients already exist in service area hospitals, and are underutilized. The applicant's adult program may occasionally admit an adult age 65 through 69--but this will be rare.

The State Health Plan uses a planning standard of 30 beds per 100,000 population, making no distinctions between use rates by age. The 30-bed standard is to be applied to children age 0-13, to adolescents age 13-17, and to adults age 18 and older--again, making no distinction between geriatric and non-geriatric adults. However, this project will not serve all adults; it serves adolescents and adults up to age 69--leaving the geriatric population to be served by the four existing geropsychiatric programs in area hospitals. The Guidelines should be applied taking that into account.

To reasonably apply the bed need planning Guideline to this specific project, the applicant has projected bed need by three separate age cohorts in Table B-Need-A1 below. The population projections are from the current Tennessee Department of Health population projections. Population estimates and projections by county, service area, and the target cohort of 13-69 years are shown in Table B-Need-4A(2) in a later section of this application.

Table B-Need-A1: Service Area Behavioral Acute Care Bed Need
CY2020
Applying Guidelines for Growth Planning Standard

Age Cohort Used	*Ages 13-69*	*Ages 13-64*	*Ages 65 +*
Service Area Population 2020	221,097	200,672	63,191
Bed Need @ 30 beds / 100,000	66.3	60.2	19.0
Behavioral Beds Available *	0*	0*	54*
Net Bed Need (Surplus)	66.3	60.2	(-35)

** All 54 existing beds are "adult" from a licensure standpoint. They are at Hillside Hospital (14), Lincoln Medical Center (10); Perry Community Hospital (14); and THM (16). However, from a health planning standpoint they are available almost exclusively to geropsychiatric patients.*

From the applicant's perspective, the Guideline when properly applied indicates a need for 66.3 acute behavioral beds in the service area, because the area has no hospital beds at all that are used to serve any significant numbers of adolescents and non-geriatric adults. When applied to the more restrictive age cohort of 13-64 years of age, the Guideline still shows a need for 60.2 acute behavioral beds. The Guideline also indicates that there are more geriatric beds in the area than are needed for the elderly 65+ population; and this may be one factor in the 56.1% collective occupancy reported by the area's four acute geropsychiatric care programs.

In conclusion, reasonable application of the Guideline planning standard to the populations served by this project, taking into account the complete unavailability of existing beds for non-geriatric patients, indicates a need for the proposed project.

2. Additional Factors: An applicant shall address the following factors:

a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

Response:

The applicant intends to accept emergency involuntary admissions, but not emergency indefinite admissions requiring a long length of stay.

b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

Response:

The applicant will serve both the TennCare and the indigent population, as projected in the responses to the payor mix question in this application, and in its Projected Data Chart.

c. The number of beds designated as "specialty" beds (including units established to treat patients with specific diagnoses);

Response:

The beds in the application are designated as adult (34) or adolescent (18), without further specialty designations.

d. The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;

Response:

The project, as shown on its architectural floor plan, has provided space for outpatient programs of care that will include IOP. A partial hospitalization program is not planned at this time. The applicant is already coordinating the prospect of post-discharge care with the local Centerstone Mental Health Center in Columbia, which has written a support letter.

e. Psychiatric units for patients with intellectual disabilities;

Response:

To be admitted, a patient must demonstrate sufficient cognitive abilities to participate in both individual and group therapy. The facility's psychiatrists and clinical teams will make that judgment using a Behavioral Health Assessment, not an arbitrary IQ standard.

f. Free standing psychiatric facility transfer agreements with medical inpatient facilities;

Response:

The Attachments to the application included a transfer agreement with Maury Regional Medical Center, the service area's largest hospital. More will be sought when the project is under development, if CON approval is granted.

g. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and

Response:

The applicant will provide short-term acute inpatient care to patients requiring hospitalization on an involuntary basis, individuals with co-occurring substance abuse issues, and patients with comorbid medical conditions.

h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

Response:

The facility is for short-stay acute patients diagnosed with a psychiatric condition. In question 15 below, the applicant has attached a staffing matrix that illustrates normative clinical staffing at varying levels of census for the short-stay patient.

i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

Response:

Not applicable to this service area or to this proposed new provider.

j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

Response:

The service area has no crisis stabilization unit available as an alternative to inpatient psychiatric care. Centerstone Community Mental Health Center, located in Columbia/Maury County, has a mobile crisis team that Maury Regional's ED can telephone to come assess a patient. The applicant understands that this team can mobilize to any of the ten service area counties. The State of Tennessee also maintains a Statewide Crisis Phone Line (855-CRISIS-1) that can activate Centerstone's team, or a mobile crisis team from Youth Villages, another community-based provider of mental health services for children and youth that is a contractor for TDMHSAS.

3. Incidence and Prevalence: The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

Rationale: The rate of incidence and prevalence of mental illness in the service area may indicate a need for a higher number of psychiatric inpatient beds in the designated area.

Response:

The applicant has consulted with planning staff at the TDMHSAS, who knew of no source of such data that could be used to project need for inpatient psychiatric beds.

Attached at the end of this letter are materials concerning the incidence or prevalence data for this region, published by TDMHSAS.

4. Planning Horizon: The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

Rationale: The Division believes that projecting need two years into the future is more likely to accurately reflect the coming trends and less likely to overstate potential future need.

Response:

The projections of need in this application are for CY2020, which is the second year of operation of the proposed hospital.

5. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

Applicants should be aware of the Bureau of TennCare's access requirement table, found under "Access to Behavioral Health Services" on pages 93-94 at http://www.tn.gov/assets/entities/tenncare/attachments/operationalprotocol.pdf.

Rationale: In many cases it is likely that a proposed psychiatric facility's service area could draw more significantly from only a portion of a county. When available, the Division would encourage the use of sub-county level data that are available to the general public (including utilization, demographic, etc.) to better inform the HSDA in making its decisions. Because psychiatric patients often select a facility based on the proximity of caregivers and family members, as well as the proximity of the facility, factors other than travel time maybe considered by the HSDA. Additionally, geography and transportation lines may limit access to services and necessitate the availability of additional psychiatric inpatient beds in specific service areas.

Response:

The defined service area includes ten counties surrounding Columbia, none of which currently provides needed inpatient acute hospitalization for the patient age groups (adolescents and non-geriatric elderly adults) that this project will serve. The service area

does not contain any major metropolitan areas where sub-county utilization patterns might be relevant. Therefore the applicant does not consider it helpful to utilize sub-county level data to establish the need for the project.

As drive time tables in the application demonstrate (see page 14 and 26), the residents of these ten counties are all within appropriate and reasonable drive times of Columbia, where this project will be located. The six counties containing approximately 85% of the target service area population have an average drive time to the site of approximately 36 minutes. Nine of the ten area county seats are 63 minutes' or less drive time of the site.

This is a rural area of significant extent. There are no public transportation systems available in the area, which could provide access to the project from counties adjoining Maury County.

6. Composition of Services: Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a CON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

The composition of population served, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

Rationale: Because patients with psychiatric conditions often experience co-morbid conditions, it is important that providers be capable of addressing such patients' potential medical needs. The accessibility of psychiatric services to various populations and for appropriate lengths of stay are important considerations for the HSDA when reviewing psychiatric inpatient services applications.

Response:

The hospital will admit patients with a primary diagnosis of need for short-term acute inpatient psychiatric care, and this will include patients with co-occurring substance abuse treatment needs. The hospital will seek TennCare and Alabama Medicaid contracts and will serve indigents as indicated in the application's Projected Data Chart and payor mix data.

Patients with co-morbid medical conditions will be treated by the proposed hospital's physician staff to the extent appropriate. If they need care not available from the proposed hospital's staff, they will be referred to Maury Regional Medical Center physicians (or another hospital of their choice) prior to admission for psychiatric care.

7. Patient Age Categorization: Patients should generally be categorized as children (0-12), adolescents (13-17), adults (18-64), or geriatrics (65+). While an adult inpatient psychiatric service can appropriately serve adults of any age, an applicant shall indicate if they plan to only serve a portion of the adult population so that the determination of need may be based on that age-limited population. Applicants shall be clear regarding the age range they intend to serve; given the small number of hospitals who serve younger children (12 and under), special consideration shall be given to applicants serving this age group. Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

Rationale: Based on stakeholder input, the Division has categorized the patient population into children, adolescents, adults, and geriatric. Each age category may require unique care.

Response:

This application categorizes its patient populations as adolescents ages 13-17, and adults ages 18-64--with an occasional patient of 65 to 69 years of age. The adolescent population's 18 beds and outdoors areas will be separated from the adult population's 42 beds and outdoor areas, as shown on the architectural plans for the facility. Separation of the two groups during the day (individual and group therapies; dining; recreation) is accomplished by scheduling their use of common spaces.

8. Services to High-Need Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

Response:

The hospital will accept involuntary commitments, low-income TennCare patients, and patients without insurance or the means to pay for care (as indicated in the Projected Data Chart).

9. Relationship to Existing Applicable Plans; Underserved Area and Populations: The proposal's relationships to underserved geographic areas and underserved population groups shall also be a significant consideration. The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered. The degree of projected financial participation in the Medicare and TennCare programs shall be considered.

Response:

This service area is a long drive from behavioral health providers in Nashville, Franklin and Murfreesboro. It is clearly underserved, having no acute care behavioral beds at all for adolescents (ages 13-17) and adults (ages18-64). The project can have no adverse impact on State-funded hospital beds, which are already operating at high occupancy.

The hospital will participate in both Medicare and TennCare/Medicaid, although very few Medicare-age patients are anticipated because the programs will focus on adolescents and adults ages 13-69. The hospital will offer short-term acute care and outpatient care, but will not serve patients requiring chronic, long-term hospital stays.

Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.

Rationale: Based on stakeholder input, a number of factors, including occupancy, shall be considered in the context of general utilization trends. Additionally, several factors may be necessary to consider when determining occupancy including staffed beds verses licensed beds, the target patient population, and the operation of specialty units.

Response:

The application has discussed at length the services available in the service area, and trends in occupancy and utilization of those services. The area has four acute inpatient geropsychiatric units but no inpatient programs for adolescents (ages13-17) or adults (ages

18-64). Their last reported combined utilization (2014 Jar's) was 39.5%, with occupancies ranging from 5.6% to 74.2%. Please see page 35R of the application for utilization details.

10. Expansion of Established Facility: Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

Rationale: Based on stakeholder input, the implementation of an 80 percent threshold for the approval may serve as an indicator of economic feasibility for the expansion of the facility. The 80 percent occupancy requirement may limit an applicant's ability to add specialty services that require separation from other units. Examples include geriatric psychiatry, services for patients with co-occurring mental health needs and substance use disorders. Additionally, the majority of the programs in the state are currently operating under this threshold. The communities these programs serve may have needs that require an expansion of services. An applicant may provide evidence of the economic feasibility of expansion despite not operating at or above 80 percent of capacity.

Response:

Not applicable.

11. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LBGT population).

Response:

This is a new facility so there need be no compliance issues. The proposed hospital will be developed and operated in full compliance with State licensure

requirements, and will seek Joint Commission accreditation. Appropriate age and gender separations will be observed and have been taken into account in the architectural design of patient rooms, bathrooms, and activity and recreation areas. Seclusion rooms are provided. Services will be provided with cultural sensitivity to all patients. Translation services will be available telephonically.

12. Institution for Mental Disease Classification: It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criteria and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

Response:

This hospital will not have an IMD classification.

13. Continuum of Care: Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission, that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

Response:

The proposed hospital will provide only appropriate and limited medical care upon admission; patients with additional medical needs will be referred to medical staff of Maury Regional Medical Center, one of the partnering providers in this project, or to medical staff at another facility of the patient's choice.

14. Data Usage: The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number

of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

Rationale: Using these sources for data is the only way to ensure consistency across the evaluation of all applications. Data provided by the TDH and the TDMHSAS shall be relied upon as the primary sources of data for CON psychiatric inpatient services applications. Each data source has specific caveats. Requiring the use of both licensed beds and operating beds will provide a more comprehensive bed inventory analysis.

Response:

The statistical data required for this application have been obtained from the Tennessee Department of Health's most current county-level population projections, Licensure reports, and Joint Annual Reports. The applicant is not aware that additional bed utilization data from TDMHSAS is needed for this particular project.

15. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

However, when considering applications for expansions of existing facilities, the HSDA may determine whether the existing facility's staff would continue without significant change and thus would be sufficient to meet this standard without a demonstration of efforts to recruit new staff.

Response:

Detailed staffing plans by shift are premature until the hospital has been approved and begins its staff recruitment. As a general rule, these behavioral health hospitals staff one Board-certified psychiatrist to 15 patients. There are two Columbia psychiatrists already available to Maury Regional and HCA; and upon approval of the project HCA will begin recruiting a third. Shifts might be 12 hours for certain clinical persons, and 8 hours for others. A staffing pattern is very complex. To illustrate that, attached following this page is a staffing matrix HCA has provided as an example of clinical staffing guidelines for behavioral units, as their census changes.

As the Table C-Economic Feasibility-8 in the application shows, the hospital will have approximately 27 nurses, plus additional clinical persons, employed in Year One. The patient census that year will average 31.3 patients. So the project will exceed the minimum clinical staffing set forth in criterion #15.

Recruitment is always challenging but always seems to work out, in time. This is especially true here, when there will be so much time between the CON decision and the opening of the hospital in late 2018. HCA has a very robust and successful human resources recruiting team in its corporate office in Nashville.

Moreover, in this project HCA will be partnered with a subregional hospital of high quality and reputation. The two organizations are confident that they can attract the staff required to provide these patients with the highest quality of care.

The staffing matrix for clinical employees begins on the next page, 13a.

Staffing Matrix - 8 Hours Shifts

ital New Hospital

Hospital New Hospital
Dept # 0

ursing Unit: Psychiatric (Adult)

Type of Nursing Unit: Psychiatr

Discharge/Transfer/Obs Factor

Unit Census
Average Low 21
Average High 31

1.0 FTE = 8 Productive Man-Hours

FTE By Shift and Skillmix - 8 Hr Shifts

Day							Evening							Night							24 Hour Total		HPPD	PLUS
RN	MHT	CM	SW / AT	US		Total Staff	RN	MHT	CM	SW / AT	US		Total Staff	RN	MHT	CM	SW / AT	US		Total Staff	Total Staff	Total Hours 24 hours	HPPD total	PLUS Hrs/UOS
1.00	1.00	0.50	1.00	0.00		3.5	1.00	1.00					2.0	1.00	1.00					2.0	7.5	60.0	60.00	60.00
1.00	1.00	0.50	1.00	0.00		3.5	1.00	1.00					2.0	1.00	1.00					2.0	7.5	60.0	30.00	30.00
1.00	1.00	0.50	1.00	0.00		3.5	1.00	1.00					2.0	1.00	1.00					2.0	7.5	60.0	20.00	20.00
1.00	1.00	0.50	1.00	0.00		3.5	1.00	1.00					2.0	1.00	1.00					2.0	7.5	60.0	15.00	15.00
1.00	1.00	0.50	1.00	1.00		4.5	1.00	1.00					2.0	1.00	1.00					2.0	8.5	68.0	13.60	13.60
1.00	1.00	0.50	1.00	1.00		4.5	1.00	1.00					2.0	1.00	1.00					2.0	8.5	68.0	11.33	11.33
2.00	1.00	0.50	1.50	1.00		6.0	2.00	1.00					3.0	1.00	1.00					2.0	11.0	88.0	12.57	12.57
2.00	1.00	1.00	1.50	1.00		6.5	2.00	1.00					3.0	2.00	1.00					3.0	12.5	100.0	12.50	12.50
2.00	1.00	1.00	2.00	1.00		7.0	2.00	1.00					3.0	2.00	1.00					3.0	13.0	104.0	11.56	11.56
2.00	1.00	1.00	2.50	1.00		7.5	2.00	1.00					3.0	2.00	1.00					3.0	13.5	108.0	10.80	10.80
2.00	1.00	1.00	2.50	1.00		7.5	2.00	1.00					3.0	2.00	1.00					3.0	13.5	108.0	9.82	9.82
2.00	1.00	1.00	2.50	1.00		7.5	2.00	1.00					3.0	2.00	1.00					3.0	13.5	108.0	9.00	9.00
3.00	2.00	1.00	2.50	1.00		9.5	3.00	1.00					4.0	3.00	2.00					5.0	18.5	148.0	11.38	11.38
3.00	2.00	1.00	3.00	1.00		10.0	3.00	1.00					4.0	3.00	2.00					5.0	19.0	152.0	10.86	10.86
3.00	2.00	1.00	3.00	1.00		10.0	3.00	1.00					4.0	3.00	2.00					5.0	19.0	152.0	10.13	10.13
3.00	2.00	2.00	3.00	1.00		11.0	3.00	2.00					5.0	3.00	2.00					5.0	21.0	168.0	10.50	10.50
3.00	2.00	2.00	3.00	1.00		11.0	3.00	2.00					5.0	3.00	2.00					5.0	21.0	168.0	9.88	9.88
3.00	2.00	2.00	3.00	1.00		11.0	3.00	2.00					5.0	3.00	2.00					5.0	21.0	168.0	9.33	9.33
4.00	2.00	2.00	3.50	1.00		12.5	4.00	2.00					6.0	4.00	2.00					6.0	24.5	196.0	10.32	10.32
4.00	2.00	2.00	3.50	1.00		12.5	4.00	2.00					6.0	4.00	2.00					6.0	24.5	196.0	9.80	9.80
4.00	2.00	2.00	4.00	1.00		13.0	4.00	2.00					6.0	4.00	2.00					6.0	25.0	200.0	9.52	9.52
4.00	2.00	2.00	4.00	1.00		13.0	4.00	2.00					6.0	4.00	2.00					6.0	25.0	200.0	9.09	9.09
4.00	2.00	2.00	4.00	1.00		13.0	4.00	2.00					6.0	4.00	2.00					6.0	25.0	200.0	8.70	8.70
4.00	2.00	2.00	4.00	1.00		13.0	4.00	2.00					6.0	4.00	2.00					6.0	25.0	200.0	8.33	8.33
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	9.44	9.44
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	9.08	9.08
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	8.74	8.74
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	8.43	8.43
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	8.14	8.14
5.00	2.00	2.00	4.50	2.00		15.5	5.00	2.00					7.0	5.00	2.00					7.0	29.5	236.0	7.87	7.87
6.00	2.00	3.00	5.00	2.00		18.0	6.00	2.00					8.0	6.00	2.00					8.0	34.0	272.0	8.77	8.77
6.00	2.00	3.00	5.00	2.00		18.0	6.00	2.00					8.0	6.00	2.00					8.0	34.0	272.0	8.50	8.50
6.00	2.00	3.00	5.00	2.00		18.0	6.00	2.00					8.0	6.00	2.00					8.0	34.0	272.0	8.24	8.24
6.00	2.00	3.00	5.00	2.00		18.0	6.00	2.00					8.0	6.00	2.00					8.0	34.0	272.0	8.00	8.00
6.00	2.00	3.00	5.00	2.00		18.0	6.00	2.00					8.0	6.00	2.00					8.0	34.0	272.0	7.77	7.77
6.00	3.00	3.00	5.50	2.00		19.5	6.00	3.00					9.0	6.00	3.00					9.0	37.5	300.0	8.33	8.33
7.00	3.00	3.00	5.50	2.00		20.5	7.00	3.00					10.0	7.00	3.00					10.0	40.5	324.0	8.76	8.76
7.00	3.00	3.00	5.50	2.00		20.5	7.00	3.00					10.0	7.00	3.00					10.0	40.5	324.0	8.53	8.53
7.00	3.00	3.00	5.50	2.00		20.5	7.00	3.00					10.0	7.00	3.00					10.0	40.5	324.0	8.31	8.31
7.00	3.00	3.00	6.00	2.00		21.0	7.00	3.00					10.0	7.00	3.00					10.0	41.0	328.0	8.20	8.20
7.00	4.00	3.00	6.00	2.00		22.0	7.00	4.00					11.0	7.00	4.00					11.0	44.0	352.0	8.59	8.59
7.00	4.00	3.00	6.00	2.00		22.0	7.00	4.00					11.0	7.00	4.00					11.0	44.0	352.0	8.38	8.38
8.00	4.00	3.00	6.00	2.00		23.0	8.00	4.00					12.0	8.00	4.00					12.0	47.0	376.0	8.74	8.74
8.00	4.00	3.00	6.00	2.00		23.0	8.00	4.00					12.0	8.00	4.00					12.0	47.0	376.0	8.55	8.55
8.00	4.00	3.00	6.00	2.00		23.0	8.00	4.00					12.0	8.00	4.00					12.0	47.0	376.0	8.36	8.36
8.00	4.00	4.00	6.50	2.00		24.5	8.00	4.00					12.0	8.00	4.00					12.0	48.5	388.0	8.43	8.43
8.00	4.00	4.00	6.50	2.00		24.5	8.00	4.00					12.0	8.00	4.00					12.0	48.5	388.0	8.26	8.26
8.00	4.00	4.00	6.50	2.00		24.5	8.00	4.00					12.0	8.00	4.00					12.0	48.5	388.0	8.08	8.08
																						Variable MH/UOS		8.74

Unit Census		Day RN	Day MHT	Day CM
1		29%	40%	20%
2		29%	40%	20%
3		29%	40%	20%
4		29%	40%	20%
5		22%	40%	20%
6		22%	40%	20%
7		33%	33%	17%
8		31%	29%	29%
9		29%	25%	25%
10		27%	22%	22%
11		27%	22%	22%
12		27%	22%	22%
13		32%	36%	18%
14		30%	33%	17%
15		30%	33%	17%
16		27%	29%	29%
17		27%	29%	29%
18		27%	29%	29%
19		32%	27%	27%
20		32%	27%	27%
21		31%	25%	25%
22		31%	25%	25%
23		31%	25%	25%
24		31%	25%	25%
25		32%	24%	24%
26		32%	24%	24%
27		32%	24%	24%
28		32%	24%	24%
29		32%	24%	24%
30		32%	24%	24%
31		33%	20%	30%
32		33%	20%	30%
33		33%	20%	30%
34		33%	20%	30%
35		33%	20%	30%
36		31%	26%	26%
37		34%	26%	26%
38		34%	26%	26%
39		34%	26%	26%
40		33%	25%	25%
41		32%	31%	23%
42		32%	31%	23%
43		35%	31%	23%
44		35%	31%	23%
45		35%	31%	23%
46		33%	28%	22%
47		33%	28%	22%
48		33%	28%	22%

Day - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
8.00	8.00	8.00	8.00	8.00		
8.0	8.0	8.0	8.0	8.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Even. - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
0.0	0.0	0.0	0.0	0.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Night - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
0.0	0.0	0.0	0.0	0.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Fixed MH/UOS	0.22
Total MH/UOS	8.96

NA	32%	24%	25%
	CN	RN	LPN

Day (Aver

* Averages are based on average high/lo
Note - Skillmix % for RN, LPN, and TC a
10/28/16

RN
Mental Health Tech
Case Management
Social Work / Activity Therapy
Unit Secretary

NOTES:

* Discharge/Transfer Factor is based on historical rate of transfers, discharges, and observation hours used to calculate department's unit of service.

SUPPLEMENTAL #1
October 28, 2016
4:45 pm

Staffing Matrix - 8 Hours Shifts

ic (Adult)

Note: Patient to Licensed Staff Ratio does not include Charge Nurse

Skill Mix % and Patient Ratio by Shift

Evening										Night						
SW / AT	US	Pat / Lic Staff Ratio		RN	MHT	CM	SW / AT	US	Pat / Lic Staff Ratio		RN	MHT	CM	SW / AT	US	Pat / Lic Staff Ratio
40%	0%	1.0		50%	100%	0%	0%	0%	1.0		50%	100%	0%	0%	0%	1.0
40%	0%	2.0		50%	100%	0%	0%	0%	2.0		50%	100%	0%	0%	0%	2.0
40%	0%	3.0		50%	100%	0%	0%	0%	3.0		50%	100%	0%	0%	0%	3.0
40%	0%	4.0		50%	100%	0%	0%	0%	4.0		50%	100%	0%	0%	0%	4.0
40%	22%	5.0		50%	100%	0%	0%	0%	5.0		50%	100%	0%	0%	0%	5.0
40%	22%	6.0		50%	100%	0%	0%	0%	6.0		50%	100%	0%	0%	0%	6.0
50%	17%	3.5		67%	100%	0%	0%	0%	3.5		50%	100%	0%	0%	0%	7.0
43%	15%	4.0		67%	100%	0%	0%	0%	4.0		67%	100%	0%	0%	0%	4.0
50%	14%	4.5		67%	100%	0%	0%	0%	4.5		67%	100%	0%	0%	0%	4.5
56%	13%	5.0		67%	100%	0%	0%	0%	5.0		67%	100%	0%	0%	0%	5.0
56%	13%	5.5		67%	100%	0%	0%	0%	5.5		67%	100%	0%	0%	0%	5.5
56%	13%	6.0		67%	100%	0%	0%	0%	6.0		67%	100%	0%	0%	0%	6.0
45%	11%	4.3		75%	100%	0%	0%	0%	4.3		60%	100%	0%	0%	0%	4.3
50%	10%	4.7		75%	100%	0%	0%	0%	4.7		60%	100%	0%	0%	0%	4.7
50%	10%	5.0		75%	100%	0%	0%	0%	5.0		60%	100%	0%	0%	0%	5.0
43%	9%	5.3		60%	100%	0%	0%	0%	5.3		60%	100%	0%	0%	0%	5.3
43%	9%	5.7		60%	100%	0%	0%	0%	5.7		60%	100%	0%	0%	0%	5.7
43%	9%	6.0		60%	100%	0%	0%	0%	6.0		60%	100%	0%	0%	0%	6.0
47%	8%	4.8		67%	100%	0%	0%	0%	4.8		67%	100%	0%	0%	0%	4.8
47%	8%	5.0		67%	100%	0%	0%	0%	5.0		67%	100%	0%	0%	0%	5.0
50%	8%	5.3		67%	100%	0%	0%	0%	5.3		67%	100%	0%	0%	0%	5.3
50%	8%	5.5		67%	100%	0%	0%	0%	5.5		67%	100%	0%	0%	0%	5.5
50%	8%	5.8		67%	100%	0%	0%	0%	5.8		67%	100%	0%	0%	0%	5.8
50%	8%	6.0		67%	100%	0%	0%	0%	6.0		67%	100%	0%	0%	0%	6.0
53%	13%	5.0		71%	100%	0%	0%	0%	5.0		71%	100%	0%	0%	0%	5.0
53%	13%	5.2		71%	100%	0%	0%	0%	5.2		71%	100%	0%	0%	0%	5.2
53%	13%	5.4		71%	100%	0%	0%	0%	5.4		71%	100%	0%	0%	0%	5.4
53%	13%	5.6		71%	100%	0%	0%	0%	5.6		71%	100%	0%	0%	0%	5.6
53%	13%	5.8		71%	100%	0%	0%	0%	5.8		71%	100%	0%	0%	0%	5.8
53%	13%	6.0		71%	100%	0%	0%	0%	6.0		71%	100%	0%	0%	0%	6.0
50%	11%	5.2		75%	100%	0%	0%	0%	5.2		75%	100%	0%	0%	0%	5.2
50%	11%	5.3		75%	100%	0%	0%	0%	5.3		75%	100%	0%	0%	0%	5.3
50%	11%	5.5		75%	100%	0%	0%	0%	5.5		75%	100%	0%	0%	0%	5.5
50%	11%	5.7		75%	100%	0%	0%	0%	5.7		75%	100%	0%	0%	0%	5.7
50%	11%	5.8		75%	100%	0%	0%	0%	5.8		75%	100%	0%	0%	0%	5.8
48%	10%	6.0		67%	100%	0%	0%	0%	6.0		67%	100%	0%	0%	0%	6.0
48%	10%	5.3		70%	100%	0%	0%	0%	5.3		70%	100%	0%	0%	0%	5.3
48%	10%	5.4		70%	100%	0%	0%	0%	5.4		70%	100%	0%	0%	0%	5.4
48%	10%	5.6		70%	100%	0%	0%	0%	5.6		70%	100%	0%	0%	0%	5.6
50%	10%	5.7		70%	100%	0%	0%	0%	5.7		70%	100%	0%	0%	0%	5.7
46%	9%	5.9		64%	100%	0%	0%	0%	5.9		64%	100%	0%	0%	0%	5.9
46%	9%	6.0		64%	100%	0%	0%	0%	6.0		64%	100%	0%	0%	0%	6.0
46%	9%	5.4		67%	100%	0%	0%	0%	5.4		67%	100%	0%	0%	0%	5.4
46%	9%	5.5		67%	100%	0%	0%	0%	5.5		67%	100%	0%	0%	0%	5.5
46%	9%	5.6		67%	100%	0%	0%	0%	5.6		67%	100%	0%	0%	0%	5.6
45%	8%	5.8		67%	100%	0%	0%	0%	5.8		67%	100%	0%	0%	0%	5.8
45%	8%	5.9		67%	100%	0%	0%	0%	5.9		67%	100%	0%	0%	0%	5.9
45%	8%	6.0		67%	100%	0%	0%	0%	6.0		67%	100%	0%	0%	0%	6.0

52%	11%	5.52	NA	70%	100%	NA	NA	NA	5.52	NA	70%	100%	NA	NA	NA	5.52
TC	US	Pat / Lic Staff Ratio		CN	RN	LPN	TC	US	Pat / Lic Staff Ratio		CN	RN	LPN	TC	US	Pat / Lic Staff Ratio
age*)				Evening (Average*)							Night (Average*)					

ow unit census entered in Staffing Matrix
re a percentage of direct patient care man-hours: CN and US are a percentage of total man-hours.

199

13b

SUPPLEMENTAL #1
October 28, 2016
2:44 pm

Staffing Matrix - 8 Hours Shifts

pital New Hospital
#

Nursing Unit: Psychiatric (Adolescent)

Discharge/Transfer/Obs Factor

Unit Census

Average Low	8
Average High	13

1.0 FTE = 8 Productive Man-Hours

FTE By Shift and Skillmix - 8 Hr Shifts

Day								Evening							Night							24 Hour Total		HPPD
	RN	MHT	CM	SW / AT	US		Total Staff		RN	MHT	CM	SW / AT	US		Total Staff		RN	MHT	CM	SW / AT	US		Total Staff	Total Staff	Total Hours 24 hours	HPPD total
200	1.00	1.00	0.50	1.00	0.00		3.5		1.00	1.00					2.0		1.00	1.00					2.0	7.5	60.0	60.00
	1.00	1.00	0.50	1.00	0.00		3.5		1.00	1.00					2.0		1.00	1.00					2.0	7.5	60.0	30.00
	1.00	1.00	0.50	1.00	0.00		3.5		1.00	1.00					2.0		1.00	1.00					2.0	7.5	60.0	20.00
	1.00	1.00	0.50	1.00	0.00		3.5		1.00	1.00					2.0		1.00	1.00					2.0	7.5	60.0	15.00
	1.00	1.00	0.50	1.00	1.00		4.5		1.00	1.00					2.0		1.00	1.00					2.0	8.5	68.0	13.60
	1.00	1.00	0.50	1.00	1.00		4.5		1.00	1.00					2.0		1.00	1.00					2.0	8.5	68.0	11.33
	2.00	1.00	0.50	1.00	1.00		5.5		2.00	1.00					3.0		1.00	1.00					2.0	10.5	84.0	12.00
	2.00	1.00	1.00	1.50	1.00		6.5		2.00	1.00					3.0		2.00	1.00					3.0	12.5	100.0	12.50
	2.00	1.00	1.00	1.50	1.00		6.5		2.00	1.00					3.0		2.00	1.00					3.0	12.5	100.0	11.11
	2.00	1.00	1.00	1.50	1.00		6.5		2.00	1.00					3.0		2.00	1.00					3.0	12.5	100.0	10.00
	2.00	1.00	1.00	1.50	1.00		6.5		2.00	1.00					3.0		2.00	1.00					3.0	12.5	100.0	9.09
	2.00	1.00	1.00	1.50	1.00		6.5		2.00	1.00					3.0		2.00	1.00					3.0	12.5	100.0	8.33
	2.00	2.00	1.00	1.50	1.00		7.5		2.00	2.00					4.0		2.00	2.00					4.0	15.5	124.0	9.54
	2.00	2.00	1.00	1.50	1.00		7.5		2.00	2.00					4.0		2.00	2.00					4.0	15.5	124.0	8.86
	2.00	2.00	1.00	1.50	1.00		7.5		2.00	2.00					4.0		2.00	2.00					4.0	15.5	124.0	8.27
	3.00	2.00	1.50	1.50	1.00		9.0		3.00	2.00					5.0		2.00	2.00					4.0	18.0	144.0	9.00
	3.00	2.00	1.50	2.00	1.00		9.5		3.00	2.00					5.0		2.00	2.00					4.0	18.5	148.0	8.71
	3.00	2.00	1.50	2.00	1.00		9.5		3.00	2.00					5.0		2.00	2.00					4.0	18.5	148.0	8.22
																									Variable MH/UOS	

Day - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
8.00	8.00	8.00	8.00	8.00		
8.0	8.0	8.0	8.0	8.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Even. - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
0.0	0.0	0.0	0.0	0.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Night - Indirect Patient Care **

Mon	Tue	Wed	Thu	Fri	Sat	Sun
0.0	0.0	0.0	0.0	0.0	0.0	0.0

** Enter hours by Day, example: 8 hours

Fixed MH/UOS	
Total MH/UOS	

RN
Mental Health Tech
Case Management
Social Work / Activity Therapy
Unit Secretary

NOTES:

* Discharge/Transfer Factor is based on historical rate of transfers, discharges, and observation hours used to calculate department's unit of service.

SUPPLEMENTAL #1
October 28, 2016
2:44 pm

Staffing Matrix - 8 Hours Shifts

Hospital New Hospital
Dept # 0

Type of Nursing Unit: Psychiatric (Adolescent)

Note: Patient to Licensed Staff Ratio does not include Charge Nurse

Skill Mix % and Patient Ratio by Shift

Unit Census	Day RN	Day MHT	Day CM	Day SW / AT	Day US	Day Pat / Lic Staff Ratio	Evening RN	Evening MHT	Evening CM	Evening SW / AT	Evening US	Evening Pat / Lic Staff Ratio	Night RN	Night MHT	Night CM	Night SW / AT	Night US	Night Pat / Lic Staff Ratio
1	29%	40%	20%	40%	0%	1.0	50%	100%	0%	0%	0%	1.0	50%	100%	0%	0%	0%	1.0
2	29%	40%	20%	40%	0%	2.0	50%	100%	0%	0%	0%	2.0	50%	100%	0%	0%	0%	2.0
3	29%	40%	20%	40%	0%	3.0	50%	100%	0%	0%	0%	3.0	50%	100%	0%	0%	0%	3.0
4	29%	40%	20%	40%	0%	4.0	50%	100%	0%	0%	0%	4.0	50%	100%	0%	0%	0%	4.0
5	22%	40%	20%	40%	22%	5.0	50%	100%	0%	0%	0%	5.0	50%	100%	0%	0%	0%	5.0
6	22%	40%	20%	40%	22%	6.0	50%	100%	0%	0%	0%	6.0	50%	100%	0%	0%	0%	6.0
7	36%	40%	20%	40%	18%	3.5	67%	100%	0%	0%	0%	3.5	50%	100%	0%	0%	0%	7.0
8	31%	29%	29%	43%	15%	4.0	67%	100%	0%	0%	0%	4.0	67%	100%	0%	0%	0%	4.0
9	31%	29%	29%	43%	15%	4.5	67%	100%	0%	0%	0%	4.5	67%	100%	0%	0%	0%	4.5
10	31%	29%	29%	43%	15%	5.0	67%	100%	0%	0%	0%	5.0	67%	100%	0%	0%	0%	5.0
11	31%	29%	29%	43%	15%	5.5	67%	100%	0%	0%	0%	5.5	67%	100%	0%	0%	0%	5.5
12	31%	29%	29%	43%	15%	6.0	67%	100%	0%	0%	0%	6.0	67%	100%	0%	0%	0%	6.0
13	27%	44%	22%	33%	13%	6.5	50%	100%	0%	0%	0%	6.5	50%	100%	0%	0%	0%	6.5
14	27%	44%	22%	33%	13%	7.0	50%	100%	0%	0%	0%	7.0	50%	100%	0%	0%	0%	7.0
15	27%	44%	22%	33%	13%	7.5	50%	100%	0%	0%	0%	7.5	50%	100%	0%	0%	0%	7.5
16	33%	40%	30%	30%	11%	5.3	60%	100%	0%	0%	0%	5.3	50%	100%	0%	0%	0%	8.0
17	32%	36%	27%	36%	11%	5.7	60%	100%	0%	0%	0%	5.7	50%	100%	0%	0%	0%	8.5
18	32%	36%	27%	36%	11%	6.0	60%	100%	0%	0%	0%	6.0	50%	100%	0%	0%	0%	9.0

Day (Average*)							Evening (Average*)							Night (Average*)						
NA	30%	31%	28%	41%	15%	5.25	NA	64%	100%	NA	NA	NA	5.25	NA	64%	100%	NA	NA	NA	5.25
	CN	RN	LPN	TC	US	Pat / Lic Staff Ratio		CN	RN	LPN	TC	US	Pat / Lic Staff Ratio		CN	RN	LPN	TC	US	Pat / Lic Staff Ratio

* Averages are based on average high/low unit census entered in Staffing Matrix
Note - Skillmix % for RN, LPN, and TC are a percentage of direct patient care man-hours: CN and US are a percentage of total man-hours.

SUPPLEMENTAL #1
October 28, 2016
2:44 pm

16. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g., agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

Rationale: The Division recognizes that participation in community linkage plans is an important element in the provision of quality psychiatric inpatient services; therefore, it is important for applicants to demonstrate such connections with other community providers. The 2014 update to the State Health Plan moved from a primary emphasis of health care to an emphasis on "health protection and promotion". The development of primary prevention initiatives for the community advances the mission of the State Health Plan.

Response:

The Centerstone Mental Health Center in Columbia is one of the service area's most important resources for behavioral healthcare. Centerstone has provided its letter of support for this application. The applicant and Centerstone will closely coordinate post-discharge and outpatient care for these patients, to assure that they will have an optimal continuum of appropriate care. Other behavioral health organizations and practitioners in the Columbia area have also been very supportive of this project and willing to work closely with Maury Regional Medical Center in this endeavor.f4q

17. Access: The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed service area.

Response:

The service area currently has no inpatient beds for any adolescents or adults ages 13-64, who need acute inpatient psychiatric care. The State Health Plan bed need methodology indicates a need for the 60 proposed mental health hospital beds for inpatient care of these age groups.

18. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

Response:

HCA Behavioral Health hospitals and units, and Maury Regional Medical Center, both have robust and highly effective quality improvement programs that include outcome and process monitoring systems. All HCA behavioral health hospitals are Joint Commission-accredited.

The requested surveys will be submitted before the end of the month, under separate cover.

19. Data Requirements: Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

Response:

The applicant so agrees.

DMHSAS PREVALENCE AND INCIDENCE DATA
(TO BE SUBMITTED UNDER SEPARATE COVER)

PATIENT ORIGIN REPORTED BY ROLLING HILLS HOSPITAL AND TRUSTPOINT 2014 JOINT ANNUAL REPORTS

State ID 75254

TENNESSEE DEPARTMENT OF HEALTH
JOINT ANNUAL REPORT OF HOSPITALS
2014

SCHEDULE A - IDENTIFICATION*

1. Name of Hospital Trustpoint Hospital — Federal Tax I.D. # 20-5850135
   Did your facility name change during the reporting period? ○ YES ◉ NO
   County Rutherford
2. Address of Facility — Street 1009 N. Thompson Lane; City Murfreesboro; State Tennessee; Zip 37129-
3. Telephone Number (615) 867-1111 (Area Code Number)
4. Name of Chief Executive Officer Jeffrey (First Name) Woods (Last Name)
   Signature of Chief Executive Officer _____
5. Name of person(s) coordinating form completion Courtney Bohannon & Lee Smith
   Telephone Number if different than above (615) 867-1111 (Area Code Number)
6. 96 Office Use Only
7. Reporting period used for this facility:
   Beginning Date 01/01/2014 Ending Date 12/31/2014
8. 365 Office Use Only
9. Does your hospital own or operate or have other hospitals licensed as satellites of your hospital? ○ YES ◉ NO
   If yes, please complete the following.

	NAME OF HOSPITAL	STATE ID	SATELLITE	OWN	OPERATE	OWN AND OPERATE
1			▣	◉	◉	◉
2			▣	◉	◉	◉
3			▣	◉	◉	◉
4			▣	◉	◉	◉
5			▣	◉	◉	◉

5. PATIENT ORIGIN (excluding normal newborns -- see Instructions)
Indicate usual residence of patients and number of patient days. Please indicate whether you are reporting

Admissions and Inpatient Days ○ or Discharges and Discharge Patient Days ◉

** List only those counties in other states that represent at least 1 percent of the total admissions or discharges to your hospital. If you have fewer than 500 total discharges or admissions annually, list only those counties that represent at least 2 percent of your total admissions or discharges.

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
01	Anderson	0	0
02	Bedford	151	1,420
03	Benton	1	1
04	Bledsoe	0	0
05	Blount	0	0
06	Bradley	1	5
07	Campbell	0	0
08	Cannon	56	527
09	Carroll	0	0
10	Carter	0	0
11	Cheatham	3	19
12	Chester	0	0
13	Claiborne	0	0
14	Clay	3	44
15	Cocke	0	0
16	Coffee	138	1,296
17	Crockett	0	0
18	Cumberland	5	28
19	Davidson	250	2,176
20	Decatur	0	0
21	DeKalb	13	129
22	Dickson	25	207
23	Dyer	0	0
24	Fayette	0	0
25	Fentress	1	19
26	Franklin	48	329
27	Gibson	0	0
28	Giles	10	69

5. PATIENT ORIGIN (continued)

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
29	Grainger	0	0
30	Greene	0	0
31	Grundy	14	120
32	Hamblen	0	0
33	Hamilton	17	153
34	Hancock	0	0
35	Hardeman	0	0
36	Hardin	3	33
37	Hawkins	0	0
38	Haywood	0	0
39	Henderson	0	0
40	Henry	0	0
41	Hickman	6	27
42	Houston	2	7
43	Humphreys	10	66
44	Jackson	1	3
45	Jefferson	0	0
46	Johnson	0	0
47	Knox	5	37
48	Lake	0	0
49	Lauderdale	0	0
50	Lawrence	23	164
51	Lewis	3	42
52	Lincoln	18	154
53	Loudon	0	0
54	McMinn	3	54
55	McNairy	0	0
56	Macon	5	28
57	Madison	2	29
58	Marion	1	19
59	Marshall	40	301
60	Maury	32	239
61	Meigs	0	0
62	Monroe	0	0

5. PATIENT ORIGIN (continued)

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
63	Montgomery	44	393
64	Moore	3	30
65	Morgan	0	0
66	Obion	0	0
67	Overton	1	3
68	Perry	0	0
69	Pickett	1	6
70	Polk	1	13
71	Putnam	20	164
72	Rhea	0	0
73	Roane	0	0
74	Robertson	10	80
75	Rutherford	1,129	9,791
76	Scott	1	11
77	Sequatchie	0	0
78	Sevier	0	0
79	Shelby	3	16
80	Smith	10	51
81	Stewart	1	5
82	Sullivan	0	0
83	Sumner	33	271
84	Tipton	1	5
85	Trousdale	5	29
86	Unicoi	0	0
87	Union	0	0
88	Van Buren	2	24
89	Warren	53	424
90	Washington	0	0
91	Wayne	2	7
92	Weakley	0	0
93	White	6	51
94	Williamson	71	659
95	Wilson	57	606
96	TN County Unknown	0	0
	Tennessee Total	2,344	20,384

5. PATIENT ORIGIN (continued)

State & County Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
ALABAMA COUNTIES: (Specify)		
1) Madison	5	104
2) Morgan	3	29
Other Alabama Counties	9	110
Alabama Total	17	243
GEORGIA COUNTIES: (Specify)		
1) Catoosa	2	6
2) Cobb	2	15
Other Georgia Counties	5	31
Georgia Total	9	52
MISSISSIPPI COUNTIES: (Specify)		
1) Oktibbeha	1	9
2)	0	0
Other Mississippi Counties	0	0
Mississippi Total	1	9
ARKANSAS COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Arkansas Counties	0	0
Arkansas Total	0	0
MISSOURI COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Missouri Counties	0	0
Missouri Total	0	0

5. PATIENT ORIGIN (continued)

State & County Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
KENTUCKY COUNTIES: (Specify)		
1) Christian	6	56
2) Todd	2	37
Other Kentucky Counties	4	51
Kentucky Total	12	144
VIRGINIA COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Virginia Counties	4	17
Virginia Total	4	17
NORTH CAROLINA COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other North Carolina Counties	1	6
North Carolina Total	1	6
OTHER STATES: (Specify)		
1) Texas	5	46
2) Florida	4	27
All Other States and Countries	21	167
RESIDENCE UNKNOWN:	0	0
GRAND TOTAL	2,418	21,095

State ID 94404

TENNESSEE DEPARTMENT OF HEALTH
JOINT ANNUAL REPORT OF HOSPITALS
2014

SCHEDULE A - IDENTIFICATION*

1. Name of Hospital Rolling Hills Hospital — Federal Tax I.D. # 20-5566098
   Did your facility name change during the reporting period? ○ YES ◉ NO
   County Williamson
2. Address of Facility — Street 2014 Quail Hollow Circle; City Franklin; State Tennessee; Zip 37067-
3. Telephone Number (615) 628-5700 (Area Code Number)
4. Name of Chief Executive Officer Richard (First Name) Clark (Last Name)
   Signature of Chief Executive Officer _____
5. Name of person(s) coordinating form completion Chris Leonard
   Telephone Number if different than above (615) 628-5710 (Area Code Number)
6. 85 Office Use Only
7. Reporting period used for this facility:
   Beginning Date 01/01/2014 Ending Date 12/31/2014
8. 365 Office Use Only
9. Does your hospital own or operate or have other hospitals licensed as satellites of your hospital? ○ YES ◉ NO
   If yes, please complete the following.

	NAME OF HOSPITAL	STATE ID	SATELLITE	OWN	OPERATE	OWN AND OPERATE
1			☐	○	○	○
2			☐	○	○	○
3			☐	○	○	○
4			☐	○	○	○
5			☐	○	○	○

5. PATIENT ORIGIN (excluding normal newborns -- see Instructions)
Indicate usual residence of patients and number of patient days. Please indicate whether you are reporting

Admissions and Inpatient Days ◉ or Discharges and Discharge Patient Days ○

** List only those counties in other states that represent at least 1 percent of the total admissions or discharges to your hospital. If you have fewer than 500 total discharges or admissions annually, list only those counties that represent at least 2 percent of your total admissions or discharges.

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
01	Anderson	1	8
02	Bedford	41	316
03	Benton	0	0
04	Bledsoe	0	0
05	Blount	0	0
06	Bradley	0	0
07	Campbell	1	8
08	Cannon	9	69
09	Carroll	1	8
10	Carter	0	0
11	Cheatham	14	108
12	Chester	0	0
13	Claiborne	0	0
14	Clay	0	0
15	Cocke	0	0
16	Coffee	97	747
17	Crockett	1	8
18	Cumberland	4	31
19	Davidson	805	6,199
20	Decatur	0	0
21	DeKalb	6	46
22	Dickson	52	400
23	Dyer	0	0
24	Fayette	0	0
25	Fentress	2	15
26	Franklin	60	462
27	Gibson	0	0
28	Giles	41	316

5. PATIENT ORIGIN (continued)

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
29	Grainger	0	0
30	Greene	0	0
31	Grundy	2	15
32	Hamblen	1	8
33	Hamilton	1	8
34	Hancock	0	0
35	Hardeman	0	0
36	Hardin	3	23
37	Hawkins	0	0
38	Haywood	0	0
39	Henderson	3	23
40	Henry	2	15
41	Hickman	37	285
42	Houston	2	15
43	Humphreys	9	69
44	Jackson	0	0
45	Jefferson	0	0
46	Johnson	0	0
47	Knox	7	54
48	Lake	0	0
49	Lauderdale	0	0
50	Lawrence	67	516
51	Lewis	11	85
52	Lincoln	18	139
53	Loudon	0	0
54	McMinn	0	0
55	McNairy	0	0
56	Macon	4	31
57	Madison	2	15
58	Marion	0	0
59	Marshall	47	362
60	Maury	398	3,065
61	Meigs	0	0
62	Monroe	0	0

5. PATIENT ORIGIN (continued)

County #	Tennessee County of Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
63	Montgomery	73	566
64	Moore	0	0
65	Morgan	0	0
66	Obion	1	8
67	Overton	0	0
68	Perry	3	23
69	Pickett	0	0
70	Polk	0	0
71	Putnam	53	411
72	Rhea	0	0
73	Roane	1	8
74	Robertson	27	209
75	Rutherford	272	2,108
76	Scott	0	0
77	Sequatchie	0	0
78	Sevier	0	0
79	Shelby	0	0
80	Smith	9	70
81	Stewart	2	15
82	Sullivan	0	0
83	Sumner	66	512
84	Tipton	0	0
85	Trousdale	0	0
86	Unicoi	0	0
87	Union	0	0
88	Van Buren	0	0
89	Warren	11	85
90	Washington	0	0
91	Wayne	16	124
92	Weakley	0	0
93	White	3	23
94	Williamson	797	6,247
95	Wilson	79	612
96	TN County Unknown	0	0
	Tennessee Total	3,162	24,490

5. PATIENT ORIGIN (continued)

State & County Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
ALABAMA COUNTIES: (Specify)		
1)	11	85
2)	0	0
Other Alabama Counties	0	0
Alabama Total	11	85
GEORGIA COUNTIES: (Specify)		
1)	1	8
2)	0	0
Other Georgia Counties	0	0
Georgia Total	1	8
MISSISSIPPI COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Mississippi Counties	0	0
Mississippi Total	0	0
ARKANSAS COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Arkansas Counties	0	0
Arkansas Total	0	0
MISSOURI COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Missouri Counties	0	0
Missouri Total	0	0

5. PATIENT ORIGIN (continued)

State & County Residence	Number of Admissions or Discharges	Number of Inpatient Days or Discharge Patient Days
KENTUCKY COUNTIES: (Specify)		
1)	9	67
2)	0	0
Other Kentucky Counties	0	0
Kentucky Total	9	67
VIRGINIA COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other Virginia Counties	0	0
Virginia Total	0	0
NORTH CAROLINA COUNTIES: (Specify)		
1)	0	0
2)	0	0
Other North Carolina Counties	0	0
North Carolina Total	0	0
OTHER STATES: (Specify)		
1) New York	1	8
2) Florida	1	8
All Other States and Countries	0	0
RESIDENCE UNKNOWN:	0	0
GRAND TOTAL	3,185	24,666

OTHER MISCELLANEOUS ATTACHMENTS

FHG COLUMBIA

854 W. James Campbell Blvd., Suite 301
Columbia, Tennessee 38401
O 931.388.8779 F 931.540.0518

FHGMedical.com

October 6, 2016

OCT 17 2016

Ms. Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building
500 Deaderick St., Suite 850
Nashville, TN 37243

Dear Ms. Hill:

I am writing in support of the certificate of need application submitted by TriStar HCA and Maury Regional Medical Center for the establishment of a 60-bed behavioral health hospital in Columbia, TN.

I am a practicing family physician in Maury County and have been for the past 37 years. During that time, I have had multiple patients that have required psychiatric services requiring transportation or admission to Nashville Hospitals. This oftentimes has proven to be great difficulty and inconvenience. In discussions with the administration at Maury Regional Medical Center, there have been multiple patients who have required boarding in the emergency department awaiting disposition and transfer to an appropriate facility. Currently there are no adult or adolescent psychiatric beds located in the service area of Maury County or surrounding service area. There is a geriatric psychiatric hospital in Columbia, which does serve the purpose for that particular population. This project is in conjunction with TriStar HCA, which currently provides psychiatric services in Nashville, TN and they are very supportive of this joint venture.

Please consider this application and feel free to contact me at 931-380-0075 if you have any further questions.

Sincerely,

Charles A. Ball, M.D.

CAB/sa

ER wait times, length of stay far longer for psychiatric patients

By Maria Castellucci | October 17, 2016

Psychiatric patients wait disproportionately longer in emergency departments before receiving treatment and experience longer stays compared to other medical patients, **according to reports released Monday by the American College of Emergency Physicians (http://newsroom.acep.org/2016-10-17-Waits-for-Care-and-Hospital-Beds-Growing-Dramatically-for-Psychiatric-Emergency-Patients)**.

The three separate studies examined how emergency rooms care for patients with psychiatric conditions compared to other patients by looking at ER wait times and length of stay.

One of the reports, a survey from the ACEP of 1,700 emergency medicine physicians, found 48% of doctors say psychiatric patients are held in their emergency department waiting for an inpatient bed at least once a day. Almost 21% said patients wait up to two to five days for an inpatient psychiatric bed. Additionally, 57% of doctors reported increased wait times and boarding for children with psychiatric conditions.

At the same time, only 16.9% of physicians reported they had a psychiatrist on-call to respond to psychiatric emergencies in the ER and more than 10% reported they had no one on-call to respond to emergencies.

Dr. Rebecca Parker, president of the ACEP, called the results "troubling." She said a decline in outpatient resources as well as a "severe shortage" of psychiatric beds available at inpatient facilities has led to longer wait times.

About 52% of surveyed emergency physicians said they have experienced cutbacks to mental health resources in the last year in the communities they serve. Yet, the need for psychiatric services hasn't diminished. Three quarters of surveyed emergency physicians report treating psychiatric patients who require hospitalization at least once a shift.

"(A decline in resources) is exerting pressure on emergency departments and its most vulnerable patients," Parker said. "The emergency department has become a dumping ground for patients who have been abandoned by every other part of the healthcare system."

A decrease in psychiatric beds began in the 1960s when institutions were closed and psychiatric patients were moved from inpatient care to outpatient care. As a result, state and county psychiatric beds nationwide between 1970 and 2006 decreased from 400,000 to about 50,000 beds. That decline has continued. A report found state psychiatric beds nationwide from 2005 to 2010 fell by 14% from 50,509 to 43,318.

Another study presented by ACEP found 23% of psychiatric patients had emergency department visits that were longer than six hours, compared to 10% of other medical patients. In addition, 7% of psychiatric patients had an emergency department stay that was longer than 12 hours versus only 2.3% of other medical visits.

The study also found that about 22% of psychiatric patients were uninsured and 4.6% were seen in the same emergency department within 72 hours of their initial discharge.

The figures came from an analysis of 2001 to 2011 data from the National Hospital Ambulatory Medical Care Survey by the Centers for Disease Control and Prevention.

In a separate study that looked at the same data from the National Hospital Ambulatory Medical Care Survey, patients with bipolar disorder, psychosis and depression had increased odds of staying in the ER for 24 hours or longer than other patients.

Dr. Suzanne Lippert, lead author of the studies and a clinical assistant professor of emergency medicine at Stanford University, said that although she doesn't have clinical evidence that extended wait times negatively effects patient care she said it's obvious to assume that patients likely suffer further under such conditions.

Parker at the ACEP added that the issue contributes to ER crowding, causing other medical patients to wait longer for care as well.

Parker said more funding and resources need to be allocated to address mental health inadequacies. She said lawmakers, particularly the Senate, have an opportunity to address gaps in care through legislation. "Comprehensive mental health reform is what we need, and we need it now."

RELATED CONTENT

Bedding, not boarding: Psychiatric patients boarded in hospital EDs create crisis for patient care and hospital finances (http://www.modernhealthcare.com/article/20131116/MAGAZINE/311169992)

Could technology be the answer to the crisis facing psychiatric patients in EDs? (http://www.modernhealthcare.com/article/20160220/MAGAZINE/302209964)

Maria Castellucci

Maria Castellucci is a general assignment reporter covering spot news for Modern Healthcare's website and print edition. She writes about finances, acquisitions and other healthcare topics in markets across the country. Castellucci is a graduate of Columbia College Chicago and started working at Modern Healthcare in September 2015.

Tags: **Clinical Practice**, **Emergency Medicine**, **Hospitals**, **Patient Care**, **Physicians**, **Providers**, **Safety and Quality**, **Safety**

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:
TriStar Murray Regional Behavioral Health

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

John K Wellborn
Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 28th day of October, 2016, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires July 2, 2018.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

HF-0043

Revised 7/02

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John W. Wellborn
SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 28th day of October (Month), 2016 (Year) a Notary

Public in and for the County/State of DAVIDSON

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

NOTARY PUBLIC

My commission expires July 2 (Month/Day), 2018 (Year).

Supplemental #2
-COPY-

TriStar Maury Regional Behavioral Healthcare

CN1610-036

November 1, 2016
1:26 pm

October 31, 2016

Phillip M. Earhart, Health Services Development Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1610-036
TriStar Maury Regional Behavioral Healthcare

Dear Mr. Earhart:

This letter responds to your questions in the second supplemental request you sent after lunch today. They are provided in triplicate, with affidavit.

1. Section A. , Executive Summary, (A) Overview

a. The support letter dated September 2016 from Rodney Poling, MD mentions Maury Regional Medical Center inpatient psychiatric unit closed in 1997. Please indicate the type of inpatient unit, ages served, number of licensed beds, and the reason the unit closed.

These are records almost 19 years old and are not readily available. However, Dr. Poling, who was in charge of the unit at the time, tells the applicant that there was a 14-bed psychiatric inpatient unit serving primarily adults 18+ but occasionally admitting older teenagers. The hospital also had a dedicated 11-bed substance abuse unit serving the same ages. The beds for both units were converted to skilled nursing beds which at the time were more strongly needed for area patients.

b. It is noted children in state custody will not be admitted to the adolescent unit. If so, where will those patients in the proposed service area receive inpatient psychiatric treatment?

The State usually has contracts with large providers with longer-stay programs, such as those at TriStar Parkview. This facility would likely develop referral relationships with that facility and others across the State.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

November 1, 2016
1:26 pm

2. Incidence and Prevalence

Please provide the referenced materials concerning incidence and prevalence data for this region, published by TDMHSAS. In addition, please discuss how the data concludes the need for psychiatric inpatient beds in the proposed service area.

Please see these additions at the end of this letter prior to the hospital survey data.

3. Section B, Need, Item l.a. (Psychiatric Inpatient Services-Service Specific Criteria-) 12. Institution for Mental Disease Classification

Please discuss reasons why this hospital will not have an IMD classification.

This was a misunderstanding. Psychiatric facilities operated under general hospital licenses (such as TriStar's Parthenon, Valley, and Madison units) cannot be IMD's. However, as a freestanding facility, this hospital will be classified as an IMD, as is Rolling Hills Hospital. Fortunately, Tennessee's "managed Medicaid" system (TennCare) makes us exempt from the IMD exclusion from Medicaid.

4. Section B, Need, Item l.a. (Psychiatric Inpatient Services-Service Specific Criteria-) Quality Control and Monitoring

Please submit the referenced surveys and information on quality improvement programs of psychiatric programs owned by the applicant.

They are attached at the end of this letter due to their bulk.

5. Section B, Need Item 3

Page 31R is noted. However, the second table on page 31R of the projected admissions to the project in 2020 calculates to 1,722, not 1,830. Please clarify.

Revised page 31R-2 is attached after this page.

6. Section C. Economic Feasibility Item 2 Funding

a. Please provide a funding letter from TriStar Health (on company letterhead with signature) that states TriStar Health will fund the entire project since they are the only member of the LLC at this time.

Attached following this page.

TriStar Health.

November 1, 2016
1:26 pm TriStarHealth.com

110 Winners Circle, First Floor
Brentwood, TN 37027
(615) 886-4900

October 31, 2016

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application for TriStar Maury Regional Behavioral Healthcare
Columbia, Maury County

Dear Mrs. Hill:

TriStar Maury Behavioral Healthcare, LLC is applying for a Certificate of Need to develop a 60-bed mental health hospital in Columbia. Through a wholly-owned subsidiary, Maury County Behavioral Health, LLC, HCA currently is the sole owner of the LLC filing the application. The estimated project cost is $24,033,041. As Chief Financial Office of TriStar Health, the HCA Division Office for Middle Tennessee, I am writing to confirm that HCA, Inc. is able to provide through TriStar Health the $24,033,041 of funding needed to implement the project. HCA's financial statements are provided in the application.

However, the application states that an affiliate of Maury Regional Hospital (a public nonprofit entity) will acquire 49% membership in the applicant LLC in the near future, and will provide 49% of the capital costs required for the project. Maury Regional has submitted a funding commitment letter for its share of the project cost.

As stated in the application and in supplemental information submitted, the project will not be implemented until the JV is definitively completed and funding is in place from both parties. HCA does not expect to remain as sole owner, and has stated its willingness to accept a condition on the CON to that effect.

Sincerely,

C. Eric Lawson, CFO
TriStar Health

b. The table (Table B-Need-12) on page 48 is noted. Please complete the last two columns of the table and submit a replacement page 48.

A completed staffing table, revised Page 48R, is provided following this page.

Additional Item From the Applicant

C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

The Capitalization Ratio is reflected below. Although the traditional Capitalization Ratio is negative, this does not accurately reflect the financial standing of HCA. This is because the 2006 merger and related transactions were accounted for as a "recapitalization" of HCA Inc. rather than a "sale", and therefore the Company's liabilities currently exceed its assets on its books. A more accurate depiction of the Company's financial standing is the Value of Equity calculation, also reflected below.

HCA Capitalization Ratio:

Long Term Debt	31,225,000,000
Debt + Equity	(23,462,000,000)
	X 100
Traditional Capitalization Ratio	(133.09)

More accurate to use Fair Value of Equity (shares outstanding x market price)

Shares outstanding at 9/30/16	$	376,140,814
Closing Market price 9/30/16	$	75.63
Market Cap	$	28,447,529,763
Debt + Equity (using Market Cap)		59,672,529,763
Alternative Capitalization Ratio		0.52

November 1, 2016
1:26 pm

STATE HEALTH PLAN
CERTIFICATE OF NEED STANDARDS AND CRITERIA FOR PSYCHIATRIC INPATIENT SERVICES

ADDITION TO FIRST SUPPLEMENTAL RESPONSES FILED OCTOBER 28

Review Criterion 3: Incidence and Prevalence: The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

Rationale: The rate of incidence and prevalence of mental illness in the service area may indicate a need for a higher number of psychiatric inpatient beds in the designated area.

Response:

DHMSAS data does not appear to allow projection of any specific inpatient bed need numbers. For that, the applicant has relied on the bed need planning methodology in these same State Health Plan criteria.

However, the Department annually publishes very detailed Needs Assessments of the prevalence of serious mental health conditions, by planning region in the State. This project is located in Region #5. Selected pages from the Department's most current Annual Assessment are provided below. These pages show two things, among others:

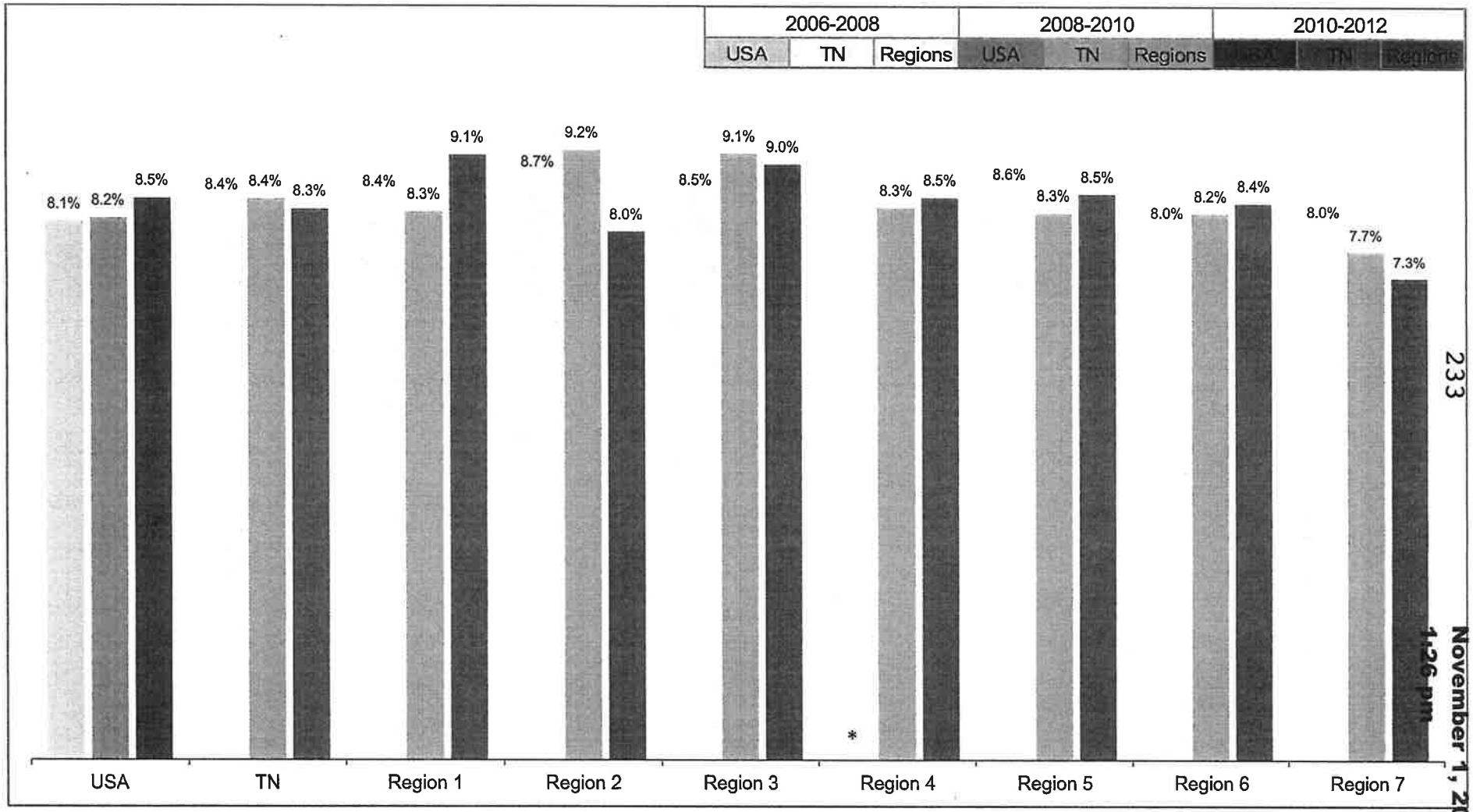
They indicate that for the measurement period of 2010-2012, 8.3% of Region 5 youth ages 12-17 had major depressive episodes "in the past year". This was close to the State's rate of 8.3%.

In addition, the Department's data captures State and national admissions rates to State Psychiatric Hospitals, Other Inpatient Settings, Residential Treatment Centers, and Community Programs. It appears that Tennessee admits a higher proportion of total admissions to its State facilities than is the case nationally--1.20 vs. 0.82 nationally. Yet Tennessee admits a much smaller proportion of its total admissions to non-State hospitals ("Other Inpatient:") than is the case nationally--0.79 compared to the national rate of 1.41. This may support the need for more psychiatric hospitals in Tennesssee.

Youth ages 12 – 17

Major Depressive Episode

Percentage of youth who had at least one major depressive episode in the past year



Note: *=Low precision; no estimate reported.

Estimated number of youth who had at least one major depressive episode in the past year

County	2006-2008	2008-2010	2010-2012	County	2006-2008	2008-2010	2010-2012	County	2006-2008	2008-2010	2010-201
REGION 1	**3,091**	**3,025**	**3,326**	Jackson	76	82	80	Perry	55	53	5
Carter	335	328	361	Macon	161	173	170	Robertson	479	462	47
Greene	445	436	479	Marion	179	193	190	Rutherford	1,920	1,850	1,91
Hancock	47	46	50	McMinn	356	382	376	Stewart	96	92	9
Hawkins	370	362	398	Meigs	75	81	79	Sumner	1,209	1,165	1,20
Johnson	98	96	106	Overton	151	162	160	Trousdale	61	59	6
Sullivan	976	955	1,050	Pickett	26	28	28	Wayne	106	102	10
Unicoi	106	104	114	Polk	115	124	122	Williamson	1,608	1,550	1,60
Washington	714	699	768	Putnam	438	471	463	Wilson	833	803	83
REGION 2	**7,757**	**8,130**	**7,082**	Rhea	204	219	215	**REGION 6**	**4,148**	**4,272**	**4,35**
Anderson	505	529	461	Sequatchie	96	103	101	Benton	100	103	10
Blount	848	889	775	Smith	138	148	146	Carroll	175	180	18
Campbell	268	281	245	Van Buren	35	38	37	Chester	117	121	12
Claiborne	215	225	196	Warren	265	285	280	Crockett	95	98	10
Cocke	235	246	215	White	170	183	180	Decatur	68	70	7
Grainger	155	163	142	**REGION 4**	*	**3,331**	**3,391**	Dyer	271	279	28
Hamblen	428	449	391	Davidson	*	3,331	3,391	Fayette	231	238	24
Jefferson	354	371	324	**REGION 5**	**11,321**	**10,911**	**11,268**	Gibson	346	356	36
Knox	2,716	2,847	2,480	Bedford	336	324	334	Hardeman	162	167	17
Loudon	305	320	278	Cannon	96	93	96	Hardin	165	170	17
Monroe	298	312	272	Cheatham	302	291	301	Haywood	136	140	14
Morgan	147	154	135	Coffee	372	359	370	Henderson	187	193	19
Roane	362	380	331	Dickson	367	353	365	Henry	193	199	20
Scott	168	176	153	Franklin	268	258	267	Lake	37	38	3
Sevier	620	650	566	Giles	194	187	194	Lauderdale	177	182	18
Union	132	138	120	Hickman	174	168	173	Madison	624	643	65
REGION 3	**5,999**	**6,445**	**6,339**	Houston	60	58	60	McNairy	173	179	18
Bledsoe	90	97	95	Humphreys	133	128	132	Obion	208	214	21
Bradley	649	697	686	Lawrence	302	291	301	Tipton	490	504	51
Clay	48	51	51	Lewis	89	85	88	Weakley	193	199	20
Cumberland	320	344	338	Lincoln	225	217	224	**REGION 7**	**6,853**	**6,554**	**6,20**
DeKalb	124	133	131	Marshall	219	211	218	Shelby	6,853	6,554	6,20
Fentress	124	134	131	Maury	538	519	536	**TN**	**42,495**	**42,495**	**41,98**
Grundy	93	100	98	Montgomery	1,231	1,186	1,225				
Hamilton	2,063	2,216	2,180	Moore	47	45	47				

Note: Population estimate based on National Surveys on Drug Use and Health (2006-2008, 2008-2010, 2010-2012) and 2010 Census, United States Census Bureau; *=Low precision; no estimate reported.

APPROPRIATENESS DOMAIN: NUMBER OF ADMISSIONS DURING THE YEAR TO STATE HOSPITAL INPATIENT AND COMMUNITY-BASED PROGRAMS, FY 2015

STATE: Tennessee

Setting	Demographic	State			US			Admission Rate		States Reporting
		Admissions During Year	Total Served At Start of Year	Total Served During Year	Admissions During Year	Total Served At Start of Year	Total Served During Year	State	US	
State Psychiatric Hospitals	Total	9,508	348	7,928	113,158	39,165	136,244	1.20	0.83	51
	Children	1	-	1	9,454	1,322	9,929	1.00	0.95	31
	Adults	9,507	348	7,927	103,703	37,841	126,134	1.20	0.82	51
	Age NA	-	-	-	1	2	1	-	1.00	1
Other Inpatient	Total	14,212	508	17,273	459,065	39,137	313,432	0.82	1.46	35
	Children	3,109	89	3,247	76,166	2,445	41,213	0.96	1.85	29
	Adults	11,103	419	14,026	382,787	36,591	271,768	0.79	1.41	35
	Age NA	-	-	-	112	101	157	-	0.71	6
Residential Treatment Centers	Total	4,532	458	3,351	66,378	10,969	38,260	1.35	1.73	37
	Children	919	288	1,277	46,200	4,930	15,035	0.72	3.07	36
	Adults	3,613	170	2,074	20,136	6,033	20,763	1.74	0.97	27
	Age NA	-	-	-	42	6	36	-	1.17	2
Community Programs	Total	1,738,972	63,504	263,308	18,221,792	3,735,705	6,580,114	6.60	2.77	49
	Children	482,260	15,664	65,441	7,382,437	954,254	1,845,495	7.37	4.00	49
	Adults	1,256,712	47,840	197,867	10,824,986	2,778,279	4,728,407	6.35	2.29	49
	Age NA	-	-	-	14,369	3,172	5,867	-	2.45	16

Note:

Admission Rate= number of admissions divided by total served during the year

US Admissions During Year uses data from states reporting data only. States are only included in "US Total Served" if they also reported data on admissions.

US Total Served During Year is calculated using data in URS Table 3.

This table uses data from URS Table3 and 6.

Table 3 State Notes:

Age	None
Overall	TN does not provide state psychiatric hospital beds for children, ages 0-17. Data include: TennCare (Medicaid); TDMHSAS Behavioral Health Safety Net; non-Medicaid crisis; state and private psychiatric hospitals. See General Notes.
Gender	None

Table 6 State Notes:

Hospital	TN does not provide state psychiatric hospital beds for children, ages 0-17.
Other Inpatient	Data include: TennCare (Medicaid).
Residential	Data include: TennCare (Medicaid).
Community	Data include: TennCare (Medicaid).
Overall	Hospital data: age is determined at admission. Community data: age determined at midpoint of the reporting year. See General Notes.

Review Criterion 18. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

Response:

HCA Behavioral Health hospitals and units in acute care hospitals, and Maury Regional Medical Center, all have robust and highly effective quality improvement programs that include outcome and process monitoring systems. It is a Joint Commission requirement for accreditation; and all HCA behavioral health hospitals and units within HCA general acute care hospitals are Joint Commission-accredited.

Representative Joint Commission and Tennessee Department of Health surveys are attached at the end of this letter because of their bulk.

We hope this meets your needs for supplemental information on the project. Please `contact me if you have additional questions.

Sincerely,

John Wellborn

John Wellborn, Consultant

November 1, 2016
1:26 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

Tri Star Murray Regional Behavioral Health

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

John L Wellborn

Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 31st day of October, 2016, witness my hand at office in the County of DAVIDSON, State of Tennessee.

NOTARY PUBLIC

My commission expires July 2, 2018.

HF-0043

Revised 7/02

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Columbia News Herald, which is a newspaper of general circulation in Maury County, Tennessee, on or before October 10, 2016, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Maury Regional Behavioral Healthcare, (a proposed mental health hospital), to be owned by TriStar Maury Behavioral Healthcare, LLC (a limited liability company), and to be managed by Maury County Behavioral Health, LLC (a limited liability company), intends to file an application for Certificate of Need to establish a mental health hospital for adolescent and adult patients, located on the east side of North James Campbell Boulevard, in the southeast quadrant of its intersection with Old Williamsport Pike, in Columbia, Tennessee 38401. The estimated project cost is $24,400,000.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 60-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is on or before October 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.
The anticipated date of filing the application is on or before October 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L. Wellborn 10-7-16 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John L. Wellborn
SIGNATURE/TITLE

Sworn to and subscribed before me this 7th day of October (Month), 2016 (Year) a Notary

Public in ~~and~~ for the County/State of DAVIDSON

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires July 2, 2018

Jan M. D
NOTARY PUBLIC

My commission expires July 2 (Month/Day), 2018 (Year).

RULES
OF
HEALTH SERVICES AND DEVELOPMENT AGENCY

CHAPTER 0720-11
CERTIFICATE OF NEED PROGRAM – GENERAL CRITERIA

TABLE OF CONTENTS

0720-11-.01 GENERAL CRITERIA FOR CERTIFICATE OF NEED. The Agency will consider the following general criteria in determining whether an application for a certificate of need should be granted:

(1) Need. The health care needed in the area to be served may be evaluated upon the following factors:

(a) The relationship of the proposal to any existing applicable plans;

(b) The population served by the proposal;

(c) The existing or certified services or institutions in the area;

(d) The reasonableness of the service area;

(e) The special needs of the service area population, including the accessibility to consumers, particularly women, racial and ethnic minorities, TennCare participants, and low-income groups;

(f) Comparison of utilization/occupancy trends and services offered by other area providers;

(g) The extent to which Medicare, Medicaid, TennCare, medically indigent, charity care patients and low income patients will be served by the project. In determining whether this criteria is met, the Agency shall consider how the applicant has assessed that providers of services which will operate in conjunction with the project will also meet these needs.

(2) Economic Factors. The probability that the proposal can be economically accomplished and maintained may be evaluated upon the following factors:

(a) Whether adequate funds are available to the applicant to complete the project;

(b) The reasonableness of the proposed project costs;

(c) Anticipated revenue from the proposed project and the impact on existing patient charges;

(d) Participation in state/federal revenue programs;

(e) Alternatives considered; and

(f) The availability of less costly or more effective alternative methods of providing the benefits intended by the proposal.

(3) Contribution to the Orderly Development of Adequate and Effective Healthcare Facilities and/or Services. The contribution which the proposed project will make to the orderly development of an adequate and effective health care system may be evaluated upon the following factors:

(Rule 0720-11-.01, continued)

(a) The relationship of the proposal to the existing health care system (for example: transfer agreements, contractual agreements for health services, the applicant's proposed TennCare participation, affiliation of the project with health professional schools);

(b) The positive or negative effects attributed to duplication or competition;

(c) The availability and accessibility of human resources required by the proposal, including consumers and related providers;

(d) The quality of the proposed project in relation to applicable governmental or professional standards.

(4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, The Agency may consider, in addition to the foregoing factors, the following factors:

(a) Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change to the proposed new site.

(b) Economic factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.

(c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

(5) Certificate of need conditions. In accordance with T.C.A. § 68-11-1609, The Agency, in its discretion, may place such conditions upon a certificate of need it deems appropriate and enforceable to meet the applicable criteria as defined in statute and in these rules.

Authority: *T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1609.* ***Administrative History:*** *Original rule filed August 31, 2005; effective November 14, 2005.*

CERTIFICATE OF NEED REVIEW

FOR

CN1610-036

TriStar Maury Regional Behavioral Healthcare

North James Campbell Boulevard and Old Williamsport Pike

Columbia, Tennessee (Maury County)

January 31, 2017

The Department of Mental Health and Substance Abuse Services staff have reviewed the application for a Certificate of Need submitted by HCA Holdings, Inc. for the construction of a new hospital with 60 psychiatric and chemical dependency beds for adolescents and adults to be known as TriStar Maury Regional Behavioral Healthcare.

This review and analysis has three (3) parts:

- Scope of Project
- Analysis of Need, Economic Feasibility, Quality Standards and Contribution to the Orderly Development of Health Care
- Conclusion

1. SCOPE OF PROJECT

The CON application for TriStar Maury Regional Behavioral Healthcare (CN1610-036) is for a 60 bed psychiatric hospital in Columbia, TN. The project includes the construction of a new building that would be licensed by TDMHSAS and is proposed to provide acute inpatient and intensive outpatient psychiatric care for adolescents and adults with 42 adult beds and 18 adolescent beds. The site is proposed for 5.25 acres on the east side of North James Campbell Boulevard in the southeast quadrant of its intersection with Old Williamsport Pike in Columbia, Tennessee (Maury County). Estimated project cost is $24,033,431. If this CON is approved, the Applicant expects to initiate services 10/1/18.

The project is a joint venture to be developed by Maury Regional Hospital and HCA. The owner and licensee for this hospital will be TriStar Maury Behavioral Healthcare, LLC (the LLC's sole member is

Maury County Behavioral Health, LLC, whose sole member is HTI Hospital Holdings, Inc. which is wholly owned by HCA Holdings, Inc. through wholly-own subsidiaries). Future intent is a 49% membership interest in that LLC by Maury Regional Behavioral Healthcare, LLC, whose sole member is Maury Regional Hospital. 51% membership interest in this applicant LLC will be retained by the HCA entities. Project cost will be funded by the two owners in proportion to their ownership interests. (Maury Regional Hospital will contribute 49% ($11,776,381) and HCA will contribute 51% ($12,257,050).

Additionally, Maury County Behavioral Health, LLC will be the newly formed company which will contract to manage the facility.

HCA is the CON Applicant and operates 62 behavioral health programs in 17 states. It is ranked as the nation's third largest provider of behavioral health services and all its hospitals are accredited. Both partners to this project are experienced and well-regarded acute care organizations.

This project proposes to serve short term acute psychiatric inpatients, primarily adolescents and adults, ages 13-69 (no specific gero-psychiatric program), individuals with co-occurring substance abuse issues and patients with comorbid medical conditions. The intention is to accept voluntary admissions and emergency admissions but not indefinite involuntary admissions requiring a longer length of stay. The Applicant proposes to serve an indigent population and TennCare enrollees (application to be made) as well as those with Medicare, commercial insurance and self- pay. There will be intensive outpatient programming but no partial hospitalization program at this time. The Applicant will not accept children in state custody.

Service Area

The Applicant's proposed Service Area is Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry and Wayne Counties. There are 38 gero-psychiatric beds in three different med-surg hospitals in the Service Area. An additional 16 beds are located in another mental health hospital that serves primarily gero-psychiatric patients. Otherwise, the proposed Service Area does not have any providers of either adult or adolescent inpatient psychiatric care.

2. ANALYSIS

A: Need

Tennessee's Health Guidelines for Growth sets the population-based estimate for the total need for psychiatric inpatient services at 30 beds per 100,000 general population. These Guidelines do not further stratify those numbers for special populations or age groups. The application of the formula sometimes results in an underestimation of the number of inpatient psychiatric beds needed due to a number of factors: bed utilization, willingness of the provider to accept emergency involuntary admission, the extent to which the provider serves the TennCare population and/or the indigent population, the number of beds designated as "specialty" beds or beds designated for specific diagnostic categories. These factors impact the availability of beds for the general population as well as for specialty populations, depending on how the beds are distributed. Other influencing factors include the number of existing beds in the proposed service area, bed utilization and TDMHSAS' support for community services for people to

increase family involvement, utilization of the person's community support system and access to aftercare.

For the analysis for this Application, the JAR's definition of staffed beds is used: the total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less-than or equal-to the number of licensed beds.

Outstanding CONs Impacting Supply in Service Area

There are no outstanding CONs for inpatient psychiatric services in the proposed 10 county Service Area. In the contiguous area, however, a CON was approved in 2016 for TrustPoint Hospital in Murfreesboro for an increase in adult psychiatric beds from 59 to 111 and the addition of 14 child psychiatric and 14 adolescent psychiatric beds. A CON was approved in 2014 to add 40 beds to the existing 80 beds (total 120) at Rolling Hills in Franklin. Rolling Hills beds were reported to HSDA as implemented as of 2/22/16.

Who will be served?

The Applicant expects to serve voluntary and involuntary patients, low income/indigent individuals and those on TennCare (and Alabama Medicaid) and Medicare as well as private pay and those with commercial insurance. The Applicant also projects some charity care.

Population Based Need Assessment

For this review's calculation, the UT Center for Business and Economic Research Data for 2015 were used for population data. That report indicated a Service Area population of 300,636 in 2016. When the 30 beds per 100,000 population Health Guidelines for Growth formula is applied, it shows a need of about 20 beds for 0-17 and 69.9 adult beds in 2016; 2020 populations supported the same number of beds for 0-17 and 72.8 beds for 18-64. In the 0-17 age range, the growth is projected to decrease by an average of 2% with a 3.87% growth in the 18-64 age range.

The 2014 JAR lists 54 gero-psychiatric beds in the area (Applicant does not propose to serve a gero-psychiatric population) with no other psychiatric beds listed in the Service Area. Since there are no other psychiatric beds in the area, the respective number of beds noted are needed for the listed population. See Charts 1 and 2.

Chart 1: Service Area Behavioral Care Bed Need and Supply

AGE	Population*2016	2020	Supply	Need: 2016	2020
0-17	67,484	67,527	0	20.2	20.2
18-64	233,152	242,799	0	69.9	72.8
Total	**300,636**	**310,326**	**0**	**90.1**	**93.0**

**** 2015 Revised UTCBER Population Projection Services, UT Center for Business & Economic Research, Population Projection Data Files, Reassembled by TDOH***

Nine hospitals in the region currently admit a number of individuals from the Applicant's Service Area. The Applicant proposes to serve these individuals in their new hospital. The Applicant reports that 1054 from the proposed Service Area were served in those hospitals according to a report from THA (report not available to none THA members; some data from 2014 JAR). Additionally, during FY 16, 457 individuals were admitted to the state psychiatric hospitals from the proposed Service Area. During the same period, 106 were referred to the state hospitals but not admitted. State contracted crisis teams serving the Service Area and ten additional counties, referred 326 youth for hospitalization. 545 adults from the ten county Service Area were referred for hospitalization at the state hospitals and an additional 726 were referred for hospitalization at private hospitals.

Chart 2: Bed Supply by Facility							
Facility	**Staffed Beds**			**Occupancy Rate**	**SA beds**	**SA occupancy**	**Bed Totals**
	Youth	**Gero**	**Adult**				
Stones River		22		18.9%	0	-	22
MTMHI			207	85.6%	0	-	207
Centennial		18	112	65.8%	2	51.5%	132
Skyline	21	20	61	69.0%	19	51.2%	121
St. Thomas			23	33.0%	0	-	23
Vanderbilt			88	77.9%	0	-	88
Rolling Hills	18		58	80%	9	105.3%	85
McFarland (Tennova)			49	33.1%	0	-	49
Trustpoint		28	31	NA	0	-	59
Total	**39**	**88**	**629**		**30**		**786**

Source: 2014 JAR; specific hospital report

The occupancy rate of hospitals in the contiguous area has changed in 2012-2014 from a decrease of 71% at Stones River to an increase of 15.9% at Skyline. St. Thomas, Vanderbilt and Rolling Hills experienced a negative percent change; Skyline increased by 15.9% with Centennial and MTMHI also experiencing an increase in occupancy. (Chart 3). MTMHI reported a 85.6% occupancy in 2014 JAR and according to TDMHSAS data, a 89% occupancy rate in 2015; MBMHI has a current 85.9% occupancy rate. (Unless the facility is a psychiatric hospital, reported occupancy rates are not specific to specialty beds but rather all beds in a facility).

Chart 3: Percent Change in Occupancy: 2012 to 2014	
Hospital	**% change**
Stones River	-71%
Skyline	+15.9%
St. Thomas	-52%
Vanderbilt	-11.3%
Centennial	+4.3%
Rolling Hills	-6.6%
MTMHI	+6.7%

Source: 2014 JAR

Data Note: Reflects all beds in facility, not limited to specialty beds unless facility is a psychiatric facility.

Currently, the most likely hospitals nearby who are recipients of patients from the Applicant's Service Area are TrustPoint Hospital and Rolling Hills Psychiatric Hospital. According to the 2014 JAR, Rolling Hills admitted 638 from the Applicant's proposed Service Area; TrustPoint admitted 137 although the number of those who were admitted to the psychiatric unit is unknown.

There are no inpatient chemical dependency programs in the proposed Service Area. However, Buffalo Valley provides adolescent day treatment and intensive outpatient, residential detoxification, and short term residential for adults. Place of Hope provides residential short term services for adults. Collectively, these facilities served 1654 individuals in FY 2016. These services are often used instead of inpatient and/or post discharge from inpatient.

Other Need-Related Information

For further determination of need, other factors were also considered: utilization of existing resources, emergency involuntary admissions, incidences of drug poisoning and bed access.

The Applicant believes that the proposed Service Area counties will have much more demand for psychiatric admissions than is indicated by 2014-2015 admissions to area behavioral health hospital beds and that demand will increase admissions to this short-term acute care resource located closer to the target population.

Emergency department overcrowding has become a significant issue nationally and in Tennessee. There appears to be a number of factors related to emergency department overcrowding and long boarding periods for adult psychiatric patients, including but not limited to: lack of beds, lack of bed availability of specialty beds, lack of service lines, type or lack of payer source and discharge disposition. The Applicant reported that 484 persons were held at Maury Regional Hospital ED between 2/16 and 10/16 for an average of 17 hours, 22 minutes pending psychiatric placement.

Potential Referrals

Data obtained from the TDMHSAS Office of Crisis Services (TDMHSAS 2015 Crisis Services Data) shows a growing need for inpatient psychiatric beds for individuals assessed by professionals who are department crisis services providers. The state crisis services provider serving the applicant's Service Area and other contiguous counties referred 330 youth and 2945 adults for involuntary hospitalization in either state or private hospitals in 2015. (Note that data from all four state hospitals for the service areas was used because referrals are diverted to another state hospital for adult admission when the receiving hospital has no bed availability). Specific data on involuntary psychiatric admissions at other area hospitals is not available.

The 3 year average suicide rate in the proposed service area is 5.26 with the highest rate of 13 in Maury County. All the counties in the service area averaged at least 1 suicide in the 3 year range.

The incidence of opioid poisonings in the Service Area is noted. According to TDOH data, from 2012-2014, there were 411 outpatient hospital discharges for opioid poisoning and 554 inpatient hospital discharges for opioid poisonings in the Applicant's 10 county proposed Service Area. It is probable that at least some of these individuals would be served in TriStar Maury Regional Behavioral Healthcare's chemical dependency program. The Applicant does not propose adding medical detox beds.

Access

The Applicant reports that individuals in the proposed Service Area who require psychiatric services often have difficulty accessing those services due to lack of transportation and insufficient economic means to travel far distances for acute psychiatric care. The project will provide locally accessible inpatient and outpatient behavioral health programs for persons not now receiving such care because of unwillingness or inability to drive long distances to large Middle Tennessee cities whose providers do offer such care as well as to those who do drive long distance to existing resources. The Applicant considers improved accessibility for service area residents to be one of the most significant positive effects of this proposed facility. It calculates that 85% of the target service area population has an average drive time to the site of approximately 36 minutes. Nine of the ten area county seats are 63 minutes or less drive time of the site. Services for the proposed population at TriStar Maury Regional Behavioral Healthcare will allow service access close to home, family, personal physician, outpatient service provider and other supports. Providing services to individuals in the community in which they live is a concept that TDMHSAS continues to support. The Applicant also correctly points out that serving the psychiatric population in a hospital close to where co-morbidities can be readily addressed (Maury Regional Hospital) is an effective approach to both medical and psychiatric care.

B: Economic Feasibility

Ownership and Management

The project is a joint venture to be developed by Maury Regional Hospital and HCA. The owner and licensee for this hospital will be TriStar Maury Behavioral Healthcare, LLC (the LLC's sole member is Maury County Behavioral Health, LLC, whose sole member is HTI Hospital Holdings, Inc. which is wholly owned by HCA Holdings, Inc. through wholly-own subsidiaries). Future intent is a 49% membership interest in that LLC by Maury Regional Behavioral Healthcare, LLC, whose sole member is Maury Regional Hospital. 51% membership interest in this applicant LLC will be retained by the HCA entities. Project cost will be funded by the two owners of the Applicant in proportion to their ownership interests. (Maury Regional Hospital will contribute 49% ($11,776,381) and HCA will contribute 51% ($12,257,050). Both organizations submitted confirmation of sufficient operating cash reserves, operating income and lines of credit to fund the project.

Additionally, Maury County Behavioral Health, LLC (wholly owned by HCA Holdings, Inc., through wholly owned subsidiaries) will be the newly formed company which will contract to manage the facility.

Expected Costs and Alternatives; Revenue and Expense Information

The Applicant estimates the total project cost for the construction of the new 60-bed facility to be $24,033,431 (includes CON filing fee). Other estimates include:

- Architectural and Engineering fees: $1,001,000
- Site Acquisition and Preparation costs: $2,810,000
- Legal, Administrative, Consultant fees: $75,000
- Construction costs: $14,300,000
- Contingency fund: $1,430,000
- Fixed equipment: $638,000
- Moveable Equipment: $1,098,250
- Other (IT Systems & misc.): $2,000,000

The Applicant submitted a gross charge over twice the amount charged by Rolling Hills and TrustPoint Hospitals ($4,282 for this project; $1,721 for Rolling Hills and $1,890 for TrustPoint). The net revenue per day (patient pay rate) is projected at $961 for this project, $908 for TrustPoint and $803 for Rolling Hills but the Applicant expects further specific charge calculations during project implementation. There is an expectation that major discounts will be negotiated from its gross charges with both payers and inadequately insured patients.

Projections

The applicant estimates 1,054 admissions (13-64 age range) in 2015 based on the THA data base with the range of admissions from 33.5 % from Maury County to .5% from Moore County. For 2020, the Applicant projects 1830 admissions (projected in proportion to counties' percentage of target population). Projected utilization for 2020 (Year 2) for 13-17 year olds would be 636 (72% occupancy) and 1,194 for 18-64 year olds (71.6% occupancy) for a total of 1830 projected admissions. The Applicant also expects that about 1000 admissions from their service area would be going to non-THA reporting hospitals (MTMHI, Rolling Hills, Behavioral Healthcare Center of Columbia (THM) during that time. The Applicant estimated that the new hospital will address 60% share of demand for Year 1 for 13-64 year olds and 86% in Year 5. In addition, the utilization would be 53.1% in Year 1 and 80.8% in Year 5.

The Applicant projects that 41.7% of its revenue would come from Medicare, 25% from TennCare, 25.6% from commercial insurance, 2.5% from self pay and 2.5% charity care.

Project Alternatives

Even though the Applicant felt that the proposed project would provide advantages in local experience and trust, expertise in treating behavioral patients of the specified ages, and strong capital funding resources, other options were explored.

Consideration was given to not establishing inpatient behavioral health services for the area. This was rejected by the Applicant because the missions of both Maury Regional Hospital and HCA are to provide appropriate, high quality, locally accessible acute care services to all residents of their service areas and this is a service line not offered in the area.

The Applicant additionally considered development of inpatient units and outpatient programs within the existing campus and buildings of Maury Regional Hospital. This was rejected because of the large space requirements, too much renovation to provide all the required space for gender and age separated patient rooms and support areas, internal disruption factors during renovations, and the difficulties of integrating a large group of behavioral health patients into the general patient population.

Another option explored was the acquisition and conversion of a local nursing home facility which was eliminated because of conversion costs and limitations of the older building and its site.

The Applicant also rejected having a program for children ages 0-12 because of the accreditation requirement for a Board-certified child psychiatrist when there is a national shortage of child psychiatrists, making recruitment challenging, especially in a rural service area.

The two partner organizations appear to have sufficient financial resources to support the new hospital during startup until viability is attained. However, it is projected that the project will reach positive case flow in the first year of operation and thereafter. Financial viability (calculated by HSDA chart) indicates positive operating margin in Year 2.

C: Quality Standards

The Applicant expects to apply for accreditation from The Joint Commission, licensure from TDMHSAS and CMS certification and as such would meet quality measures of the state health plan as required under TCA Section 68-11-1609(b). Facilities operated by each parent company are currently Joint Commission accredited, CMS certified and licensed by either TDMHSAS or DOH as appropriate. Each partner company already operates quality improvement programs that include outcome and process monitoring systems and expects to implement those in this venue.

D: Contribution to the Orderly Development of Health Care

Staffing and Recruitment

The Applicant anticipates recruiting positions incrementally as the facility builds its census. According to the U.S. Department of Health and Human Services, all of the service area is a Medically Underserved Area as well as health professional shortage areas. HCA has a specific emphasis on recruitment of psychiatrists and other mental health professionals into the

communities it serves and will use its human resources recruiting team in its corporate office to assist in recruitment.

TDMHSAS has reviewed the staffing information submitted and recognizes that a thorough review is limited without specific information on program models (program descriptions submitted were considered examples only). With that consideration, the staffing types, numbers and ratio appear appropriate to the service lines proposed for two units; the Applicant will need to modify the staffing pattern depending on operation of number and type of units as well as acuity levels. The estimated mean hourly wage proposed by the Applicant appears low although it is mostly within the area-wide hourly mean for the MSA cited by The Tennessee Department of Labor and Workforce Development. Low wages may be particularly true for social workers if the intent is to use master's level. Without master's level, there does not appear to be staff in the staffing pattern to provide therapy. Recent workforce shortages have driven up the hourly mean for behavioral healthcare workforce which is not yet reflected in available Tennessee Department of Labor and Workforce Development data. The staffing of the new facility may be impacted by this escalation.

The projected staffing in Supplemental 2 lists only one psychiatrist while Supplemental #1 indicated there are two Board-certified psychiatrists in place in Columbia, neither of whom are certified in child psychiatry. The project cost chart appears to support contract physicians for the project. No staff were listed in the specialty areas of child psychiatry or chemical dependency.

Proposed Units

According to the application, the new building will contain units for adults and for adolescents in two wings without further specialty designations. The adolescent population's beds (18) and outdoors areas will be separated from the adult population's beds (42) and outdoor areas. The two groups will be separated by scheduling their use of common spaces such as individual and group therapies and dining. In general, the unit layout of the proposed building is adequate. There is proposed an "Admissions" area for secure triage and assessment. Because of the short stay, the Applicant did not add classrooms for in-house educational programs. Each of the 4 subunits has a seclusion room. The proposal does not include a gymnasium; it does have outdoor fenced recreational yards. Depending on the weather, the facility would have to use "Noisy Activity" space for recreation. Family visits will be held in the "Quiet Activity" rooms on the unit. The floor plan also includes space for intensive outpatient programs.

Impact on Existing Services

The Applicant expects to retain more than a thousand area patients who currently drive some distance outside the area for services. This would have an initial adverse impact on existing providers, especially Rolling Hills because of its proximity to the Service Area. According to the 2014 JAR (Rev. 6/15), there were 638 admissions to Rolling Hills from the Applicant's proposed Service Area. The Applicant expects the adverse impact to be short term due to the population

growth in Rolling Hills' Service Area. Psychiatric admissions to other area hospitals with psychiatric units from the proposed service area (including 137 total admissions to TrustPoint) could not be determined since there is no separation by admission type in the JAR.

TDMHSAS notes that if TriStar Maury Regional Behavioral Healthcare accepts emergency involuntary admissions of adult acute patients, the delayed admissions, number of admissions and occupancy rate at MTMHI and MBMHI could be reduced.

Transfer Agreements

The applicant will have a transfer agreement with Maury Regional Hospital for medical services. The Applicant intends to establish agreements with MTMHI, TriStar Skyline, TriStar Valley, TriStar Centennial for adults and TriStar Parkview for DCS custody youth.

Letters of Support or Opposition

The application contained letters of support from the new Medical Director at Maury Regional Hospital and from the Maury County Mayor, the Maury County Sheriff, the Administrator of NHC Hillview, the Emergency Department of Maury Regional Hospital, a local family physician and the Centerstone Crisis Services Director. No letters of opposition were included in the application.

State Health Plan

The 2015 Edition of the State Health Plan features key changes to the traditional framework of the State Health Plan. The new Plan uses three guiding questions to outline the overall themes and key factors to consider when thinking about health in Tennessee. These questions are focused on moving towards primary prevention, using evidence-based approaches when available, and approaching health through a broader lens.

In the context of the Certificate of Need process, the Plan's first question of creating and improving opportunities for optimal health is relevant. The Applicant's proposal addresses service availability and access, serving a wide range of residents under multiple payer sources and in a facility located in the proposed Service Area. It also utilizes existing lines of community services to prevent hospitalization and expects to develop new relationships with providers to address post discharge services.

Specifically, there appears to be a need for inpatient psychiatric beds in the proposed Service Area for adolescents, adults and chemical dependency**.** We positively note that the facility will accept individuals who require acute psychiatric care without regard to the payer source, and those needing involuntary hospitalization as well as those with co-occurring and co-morbid conditions. The Applicant will also serve the TennCare, Medicare and indigent populations, all having a potentially positive impact on the community and healthcare system by making inpatient psychiatric and chemical dependency services available at the local level that allows for

increased family involvement and increased involvement with support systems and aftercare providers in the treatment process. New beds in the proposed Service Area could help reduce involuntary commitment referrals currently being made to state hospitals and improve access to appropriate inpatient psychiatric beds so that long emergency room waits for an available inpatient psychiatric bed can be minimized.

Training

To address staffing, the Applicant expects many new behavioral healthcare professionals to be graduated from Middle Tennessee educational programs and available to the hospital. HCA also operates its own program to help general acute care nurses transition to behavioral health nurses and provides behavioral healthcare residencies for behavioral health RN's in sister hospitals. HCA also regularly recruits in newspapers, recruitment web sites, work fairs, and direct applications. The Applicant did not address expected training affiliations that would augment recruitment.

Working Relationship with Existing Service Providers

The Applicant will coordinate post-discharge and outpatient care for the Applicant's patients with Centerstone Mental Health Center. Other behavioral health providers in the Columbia area have indicated a willingness to work with the Applicant for other continuum of services.

See also, Project Alternative on Page 8.

3. CONCLUSION

TDMHSAS supports the TriStar Maury Regional Behavioral Healthcare application for a 60 bed behavioral health hospital to provide acute adult inpatient psychiatric, chemical dependency and adolescent services. There are no current psychiatric beds in the proposed Service Area except those that serve the gero-psychiatric population which the Applicant does not propose to uniquely serve. Because of proximity, it is likely that any impact of new beds would be more acute at Rolling Hills Hospital in Franklin.

The population-based need assessment supports the addition of beds in the Service Area and there is an increased occupancy rate at many hospitals in the contiguous area. However, there is some current and unimplemented bed availability in the contiguous area. Approved beds have recently come on line at Rolling Hills and new beds have been approved but not implemented at TrustPoint. Both facilities are or will serve adults and adolescents with mental illness and those with chemical dependency.

There appears to be sufficient operating cash reserves, operating income and lines of credit to fund the project. A positive operating margin is indicated in Year 2.

This project will support services to low income individuals, TennCare and Medicare enrollees and those in need of emergency involuntary hospitalization in a facility near the proposed target Service Area. It may also minimize emergency room waits for available inpatient psychiatric beds. The Applicant's focus has been to provide acute psychiatric services in closer proximity to the target population which will allow for increased family involvement and increased involvement of community support systems and aftercare providers.